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BRIEFS

PDVSA FACES LIQUIDITY PROBLEMS—It is not the drop in international oil prices that has paralyzed the industry's programs, but the lack of liquidity faced by Venezuelan Petroleum, Inc. (PDVSA). At least that is the opinion of the president of the Chamber of Suppliers of Goods and Services to the Oil Industry, Edgar Romero Nava. This important sector of the national economy, which once had 60,000 employees, has laid off 4,000 workers since the beginning of the year and expects to furlough another 4,000 in the coming weeks. According to the leaders of the Chamber, the basic problem lies not with OPEC decisions, but with the decision to transfer PDVSA's funds to the Central Bank. They claim that there is no money, only papers—in an obvious reference to the 7.5 billion bolivars in bonds that were turned over to the oil holding company—and that led to the paralyzation of investment programs, not just in the Orinoco Belt. Another paradox cited by the leaders of the Chamber is that now, even more than before, it is cheaper to buy abroad. For this reason, despite the goals of the buy national program, the administrators of the operating companies prefer to adhere strictly to bidding regulations and award the contract to the lowest bidder. In Romero Navas' view, the solution lies in redeeming the PDVSA bonds—cash money instead of papers—increasing to 5 years the depreciation of assets, and—coinciding with the recommendations of the International Monetary Fund—eliminating the gasoline subsidy, meaning a loss to the operating companies of 5 billion bolivars in annual revenues. [Text] [Caracas NUMERO in Spanish 22 May 83 p 18] 8926

CSO: 3348/411

CDB BOARD OF GOVERNORS ISSUE FINAL STATEMENT

FL132017 Bridgetown CANA in English 1704 GMT 13 May 83

[Text] Cartagena, Colombia, May 13, CANA--The Board of Governors of the Caribbean Development Bank (CDB) has agreed to accept Jamaica's invitation to host the 14th annual meeting, it has been announced here.

The decision was taken at the two-day historic 13th annual meeting, held in the Cartagena de Indias convention centre, which closed last night with a keynote address by the president of the republic, Dr Belisario Betancur.

The CDB board today issued a release which said (text):

"The thirteenth annual meeting of the Board of Governors of the Caribbean Development Bank (CDB) was held in Cartagena, Colombia, on Wednesday and Thursday, May 11 and 12, 1983, under the chairmanship of The Honourable Dr Edgar Gutierrez Castro, governor for Colombia.

The meeting was attended by governors and their advisers representing all member countries of CDB.

"In attendance also were observers and guests from various national, regional and international organisations.

"A welcome address was delivered by Dr Edgar Gutierrez Castro, minister of finance and public credit of Colombia and replies were made by the governors for Canada, St Lucia and Venezuela.

"The president, Mr William G. Demas, made his usual statement to the Board of Governors.

"The board noted the annual report for 1982, and the administrative budget for 1983 submitted by the Board of Directors. The board approved the financial statements and the report of independent accountants of CDB for the year ended December 31, 1982, in respect of its ordinary operations, its special operations and the Venezuelan Trust Fund.

"Governors also welcomed France as a member of the bank.

"The 1982 net income of 3,370,000 U.S. dollars for the year ended December 31, 1982, from CDB's ordinary operations were allocated to the ordinary reserves of CDB, while the whole of the net income of CDB from its special operations for the year ended December 31, 1982, in respect of the agricultural fund--914,000 U.S. dollars, operations funded with U.S.A.I.D. resources--756,000 U.S. dollars, and the Nigerian loan--538,000 U.S. dollars were allocated to reserves for those funds.

"The governor for Jamaica was elected chairman and the governors for Canada and Barbados were elected vice-chairmen.

"The fourteenth annual meeting of the Board of Governors will be held in Jamaica on a date to be announced.

"The board expressed its appreciation for the warm hospitality of the government and people of Colombia.

"The president of the Republic of Colombia, Dr Belisario Betancur, addressed the meeting during the closing ceremony and conferred on Mr William G. Demas, president of the bank, the Order of San Carlos with the rank of Grand Official, the highest honour conferred on someone who is not a national of Colombia." (End of text)

CSO: 3298/1262

CARIBBEAN GARMENT INDUSTRY HURT BY TRADE DIFFICULTIES

'Crisis' in St Kitts-Nevis

Bridgetown BARBADOS ADVOCATE in English 4 May 83 p 1

[Text] BASSETERRE, St. Kitts, Tuesday (CANA) — St. Kitts-Nevis Premier, Dr. Kennedy Simmonds said today the local garment industry was on "the verge of crisis" because of trading difficulties within the Caribbean Community (CARICOM).

His remarks were made at a seminar for managers and senior employees in the garment industry attended by 17 participants from 10 countries and sponsored jointly by the CARICOM Secretariat, the Caribbean Association of Industry and Commerce (CAIC) and the St. Kitts-Nevis Chamber of Industry and Commerce.

"It would appear that (in) introducing the two-tiered system of currency exchange, Jamaica failed to place a sufficiently high priority of regional considerations, and CARICOM is now being rocked to its very foundations," Dr. Simmonds said.

He added: "The sequels are no less ominous...in essence, therefore, we no longer have a free trade area. These (actions by the governments) have certainly placed the garment industry in St. Kitts and Nevis on the verge of crisis."

Premier Simmonds warned against minimising the potential of the Jamaica decision, which he said "...can lead to a dangerous weakening of CARICOM, because trade has been, and is, the very foundation of our regional integration movement."

Shutdown in Barbados

Bridgetown BARBADOS ADVOCATE in English 4 May 83 p 1

[Article by Jewel Brathwaite]

[Text] There has been a partial shutdown of the garment manufacturing industry in Barbados with a complete halt to operations likely by weekend, unless the regional trade impasse is resolved.

Yesterday a number of garment manufacturing companies indicated they were closing, or had closed as they were forced to stockpile large quantities of goods for which licences must be obtained to ship these goods to Trinidad and Tobago, Barbados main trading partner in CARICOM.

Among the companies closing, or which are expected to close are:

— Barbados Knitting and Spinning could be closing by weekend with 60 to 70 employees out of work;

— Cavalier Limited closed yesterday and 140 employees were affected;

— Barbados Industries, is closing either this week or next week with 15 employees expected to join 30 others who already have been sent home.

— Gypsy International closed yesterday throwing 100 people out of work;

— Winifred Enterprise closing tomorrow with 32 workers going home;

— Elias, scheduled to close either yesterday or today with the remaining 60 workers joining 60 others who were earlier sent home;

— Mico has already sent home between 20 to 25 workers but the factory will continue to operate until May 9 or May 10 and unless situation improves there will be a closure with another 120 workers going home.

The action by these companies comes in the wake of the closure last week of another garment factory. Carib Industries Limited, resulting in 18 people losing their jobs.

In addition sources said other bigger garment concerns were taking similar action with one of them having made arrangements for the disbursemen' of severance payment.

Yesterday the manufacturers complained they had stocks of goods worth millions of dollars in warehouses and they could not go on producing.

The regional trade impasse was sparked by Jamaica's imposition of a two-tiered exchange rate regime which virtually made all goods regional goods to that country more expensive.

Barbados and Trinidad and Tobago retaliated with the former imposing a floating exchange regime vis-a-vis the Jamaican currency, and the latter placing its CARICOM imports under licence.

A meeting was held in Trinidad and Tobago last week to resolve the matter but there has been no official report on that.

CSO: 3298/595

INDUSTRY, COMMERCE GROUP STUDIES CARIBBEAN TAX SYSTEMS

Bridgetown BARBADOS ADVOCATE in English 4 May 83 p 3

[Text] PORT-OF-SPAIN, Trinidad, Tuesday (CANA) — The Barbados-based Caribbean Association of Industry and Commerce (CAIC) is to examine the tax structure in Trinidad and Tobago and Dominica following private sector complaints in those countries that it has become a disincentive to productivity, the Trinidad Express newspaper has said.

According to the paper, a CAIC document released here noted the project would be carried out during 1983-84.

The aim is to determine whether the structure "places too large a burden on business to the extent that it not only distorts resource allocation, but also employment creation."

"The private sector in the region," the document said, "is convinced that it is their business which bear the brunt of the tax burden through a variety of direct and indirect levies.

"This project is designed to carefully re-examine the corporate tax record in two member countries, utilising some data already compiled by our affiliates in those territories."

It added: "The intention in both cases is to produce a well-documented case which our respective affiliates could use as the basis for making formal representations to their governments for lower corporate tax rates either generally, or alternatively, restricted to those businesses which can satisfy defined criteria, e.g. a condition that a minimum proportion of turn-over should represent income generated from exports."

CSO: 3298/595

BRIEFS

CARIBBEAN LABOR LEADER--Mr Burns Bonadie, former secretary-treasurer of the Caribbean Conference of Labour (CCL), was sworn in as a Senator in the Vincentian Government yesterday. It is understood that Mr. Bonadie a Vincentian, will be taking up a ministerial post within the Government. He left Barbados last Monday after 10 years with the CCL which has its headquarters in Barbados. The trade unionist announced his departure during the May Day celebrations at Mangrove, St. Philip. He said that he had enjoyed being in Barbados but felt that after the exposure which he has had outside of St. Vincent, has was ready to contribute to his country in a tangible way. He reminded Barbadians, that they, like all Caribbean people were living in troubled times and he said that it was important for Caribbean Heads of Governments to get together and decide what the next move should be. Mr. Bonadie urged the people to continue to show solidarity in trade unionism and he hoped that the Barbados Workers Union would go from strength to strength. [Bridgetown BARBADOS ADVOCATE in English 4 May 83 p 2]

CSO: 3298/595

HOUSE APPROVES $3-MILLION CDB DEVELOPMENT LOAN

Nassau THE TRIBUNE in English 29 Apr 83 p 1

[Text] **A second loan of $3 million from the Caribbean Development Bank to the Bahamas Development Bank was unanimously approved by House of Assembly members Thursday evening.**

Deputy Prime Minister and Minister of Finance Arthur Hanna said that there are no restrictions on the loan, the interest rate of which varies. Mr Hanna said that the Government will repay an interest rate of nine per cent on $2 million out of the $3 million loan, while the interest rate for the remaining $1 million will be four per cent.

The loan approved is in various currencies equivalent to $3 million in the currency of the United States, and is subject to such terms and conditions as agreed between the BDB and the CDB.

Before members voted on the resolution, Mr Hanna gave a brief report on the activities of the BDB, which, he said, was funded originally by the Government, but is now able to obtain loans from the CDB and the Inter-American Development Bank.

Mr Hanna said that when the BDB adds on the administrative costs and the money is loaned out, the interest rate will be 1 or 1½ per cent.

"The bank itself operates as best it can as an ordinary bank inclined to make profit," Mr Hanna said, adding that the purpose of the loan is to promote industrial, agricultural, fisheries and commercial enterprises.

He said that the bank considers each application presented to it for loan and is flexible in its approach while not being political.

He also said that the bank has gone a long way in helping fishermen, and financing light industrial projects and agricultural enterprises.

The deputy Prime Minister also said that the BDB has been a great boon to the Government in diversifying the economy. but the Government is not involved in its day to-day-operations.

He said that the BDB negotiated with CDB for the loan which came from Venezuela, Sweden, and Germany.

"There is no restrictions so, for this reason, it is a useful loan for this bank," Mr Hanna said.

All in all, he added, the bank has been very successful. He promised to give a more detailed performance of the bank in a communication to the House at a later date.

He said that the loan is a favourable advance from the CDB and hoped that the BDB will get more as time goes by.

Official Opposition Leader Kendal Isaacs agreed with Mr Hanna that the BDB can be instrumental in the economic

development of the country but said that the criteria that prevails in the credit union movement for loans should also apply to the BDB.

He urged Government to make sure that those who borrow are able to pay and have the intention to pay back the loan.

Mr Isaacs said that if loans are made on a partisan political basis, the borrowers may not have the intention to repay.

CSO: 3298/596

BRIEFS

SOLOMON ELECTION APPEAL--A DISILLUSIONED Norman Solomon, who lost his St John's seat by 10 votes in last June's general election, has dropped his election petition. "My understanding is that a lot of lawyers feel that the election court system (as it is set up by law with no appeal) is crazy because if the judges err, tough luck, the decision can't be appealed. The election court can come down with the most ridiculous decision--hypothetically--and what can you do about it?" the outspoken businessman, who represented St John's for 15 years, said. Mr Solomon, whose case was scheduled to open today, was advised by three lawyers to drop the case. They based their decision on the outcome of the Holy Cross election case. "This is not a simple case to understand, but I think it all hinges on the case of Holy Cross and the date of the closing of the registry," Mr Solomon said. Cedric Parker, the FNM candidate for Holy Cross who was defeated by a mere nine votes, lost his case when the election court ruled that his lawyers failed to prove a register of voters for the constituency existed on March 31, 1982. The court also ruled that if the lawyers wanted the election to be declared void because it was illegal, they first had to plead that illegality in the petition. Mr Parker had submitted that 60 persons had voted in Holy Cross who were not entitled to do so. Mr Solomon said he had been advised "by some of the best legal brains in the country, if not the best," to drop the case. The lawyers advising him were Cecil Wallace Whitfield, Geoffrey Johnstone and Keith Duncombe. [Athena Damianos] [Excerpt] [Nassau THE TRIBUNE in English 2 May 83 p 1]

CSO: 3298/596

COUNTRY REPORTS TRADE WITH NON-CARICOM NATIONS

FL191150 Bridgetown CANA in English 0033 GMT 19 May 83

[Article by Irvine Reid]

[Text] Bridgetown, Barbados, May 18, CANA--Barbados sold 118.6 million dollars (one Bds dollar ; 50 cents U.S.) more goods to its non-CARICOM trading partners last year than in 1981, according to official figures released here.

Figures from the state-run Barbados Export Promotion Corporation (EPC) put these sales abroad last year at some 387.4 million dollars compared to 268.8 million in 1981.

Barbados' 1982 imports from the same group of countries declined by 20.2 million dollars; the 1982 figure was 945.8 million dollars against 966 million dollars in 1981.

Barbados exported more goods to the United Kingdom, the United States and Puerto Rico last year than it did in 1981.

The island's main non-CARICOM exports were sugar, molasses, rum, shrimp and electrical components.

Sales to the United Kingdom last year stood at 46.9 million dollars, up 20.1 million dollars from the 26.8 million in 1981.

Imports from the U.K. on the other hand fell by 33.5 million dollars to 106.7 million as against 140.2 million dollars in 1981.

Barbados' 1982 exports to Canada last year fell off by 7.6 million dollars to 10.6 million compared with 18.2 million dollars worth in 1981.

Imports from Canada too fell last year by 30.4 million dollars to 67.8 million compared with 98.2 million dollars in 1981.

Exports to the United States for 1982 stood at 152.6 million dollars compared with 143 million dollars in 1981--an increase of 9.6 million dollars.

Imports from the U.S. went up--by 24.5 million dollars to 423.8 million dollars compared to 399.3 million in 1981.

The EPC said that Puerto Rico was the other market in which Barbados sold more goods last year. Exports to San Juan totalled 46 million dollars compared to two million dollars in 1981. Barbados' main exports to Puerto Rico were electrical components.

Barbados' imports from Japan, mainly cars, declined by 18.9 million dollars. Barbados imported some 37.1 million dollars in Japanese goods, as against 56 million in 1981.

Imports from Puerto Rico last year stood at 2.1 million dollars compared to 3.2 million dollars in 1981--a decline of 1.1 million dollars.

CSO: 3298/1263

STATE CORPORATION REPORTS ON CARICOM TRADE

FL162145 Bridgetown CANA in English 2045 GMT 16 May 83

[Article by Irvine Reid]

[Text] Bridgetown, Barbados, May 16, CANA--Barbados sold 19.1 million dollars (one BDS dollar ; 50 cents U.S.) more in goods to the Caribbean Community (CARICOM) last year than it did in 1981, according to official statistics released here today.

The figures, from the state-run Barbados Export Promotion Corporation (EPC) showed that while Barbados exports were up last year imports from CARICOM declined by 24.6 million dollars.

Last year Barbados sold its CARICOM trading partners 141.2 million dollars in goods, compared to 122.1 million dollars in 1981.

Imports from CARICOM last year stood at 160.2 million dollars, compared to 184.8 million in 1981.

Trinidad and Tobago remained Barbados' biggest market, importing some 86.8 million dollars in goods from Bridgetown, against 59.4 million dollars in 1981--an increase of 27.4 million dollars.

However, Barbados' exports to Jamaica continued to decline last year, with Barbados selling Kingston 18.2 million dollars worth of goods, compared to 21.6 million dollars in 1981--a decline of 5.4 million dollars.

Exports to Guyana last year were valued at two million dollars, compared to 2.8 million dollars in 1981 while imports from Guyana totalled 6.3 million dollars last year, down on the 10.4 million dollars in 1981--a decline of 4.1 million dollars.

Barbados' imports from Trinidad and Tobago declined by 16.3 million dollars last year when this country imported 116.3 million dollars worth of goods against 132.6 million dollars in 1981.

Imports from Jamaica last year were valued at 25.3 million dollars, compared to 28.1 million dollars in 1981.

Exports to Antigua and Barbuda last year totalled 4.7 million dollars against 4.5 million dollars in 1981, while imports stood at 1.4 million dollars compared to 1.6 million dollars in 1981.

Exports to Dominica last year totalled 3.3 million dollars. They were worth 3.7 million dollars in 1981. Imports stood at 898,000 dollars last year and 1.2 million dollars in 1981.

Exports to Grenada last year stood at 5.2 million dollars against 5.1 million dollars in 1981 and imports were valued at 839,000 dollars compared to one million dollars in 1981.

Barbados exported 3.1 million dollars worth of goods to St Kitts/Nevis last year, compared to three million dollars in 1981 while imports from that country stood at 119,000 dollars compared to 421,000 dollars in 1981.

Exports to St Lucia last year declined by 1.6 million dollars. Barbados exported 9.9 million dollars worth of goods last year and 11.5 million dollars in 1981.

Imports from St Lucia last year were down by 0.3 million dollars, Barbados having imported 4.8 million dollars in 1982 against 5.1 million dollars the year before.

Barbados' exports to St Vincent last year declined by 1.3 million dollars, Barbados having sold that country 6.6 million dollars in goods in 1982 compared to 7.9 million dollars in 1981. [Imports] from that country last year totalled 3.3 million dollars against 3.4 million dollars in 1981.

CSO: 3298/1263

PROPOSED BUDGET DRAWS FURTHER DLP, UNION CRITICISM

Sandiford Speech

Bridgetown THE NATION in English 3 May 83 p 3

[Text]

THE 1983-84 Budget has been described by Deputy Opposition Leader, Erskine Sandiford, as a sop to the poor and which while providing a little relief for rich Barbadians, has done nothing to relieve hardships on the vast majority of middle class workers.

Speaking during his contribution last week to the Budget debate, Sandiford declared that the Prime Minister's proposals were "mainly irrelevant to the problems facing the country".

He added that everyone accepted that the country was facing a crisis in its economic and public affairs, but the Government had rejected an Opposition call for the establishment of a task force to make resolutions to deal with this crisis.

Sandiford stated that the Democratic Labour Party (DLP) had handed over a "sound inheritance" to the incoming Barbados Labour Party (BLP) but it had been "squandered" to the extent that Government now had to go "cap in hand" to the International Monetary Fund (IMF).

He said that countries did not go to the IMF when they were well, but only when they were ailing or "perceived themselves to be ill".

He wanted to know what IMF tests were being passed by the island when the Prime Minister had announced that there were no conditions attached to the loans which had been received.

"Government has been less than candid with the people of this country and therefore, under the democratic traditions of this country must be condemned," Sandiford declared.

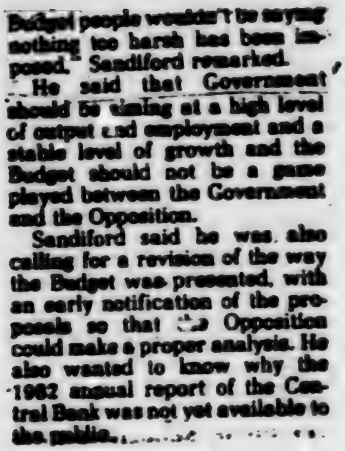
He noted that in 1976 inflation was two percent and unemployment about 15 percent with the national debt standing at $258.8 million and all indications were that the country was about to take off in economic growth. But, he said, the national debt now stood at $760 million, recently there had been many layoffs, and company bankruptcies and the 1981-82 figures showed that inflation was 14.5 percent.

Sandiford said he admitted that the international economic situation did have an effect on the country but the problems were also brought on by the budgetary policies of Government.

The Deputy Opposition Leader declared that this year's Budgetary Proposals did not begin on April 27 but many of them had been effected since last year.

He listed new charges on shipping firms and vessels, increased air navigation fees and a hike in office rental rates at the Grantley Adams International Airport, increases in road taxes and a number of miscellaneous fees charged by the police, higher film censorship rates and the imposition of non-tax regulatory charges such as the charging of exam fees, increased taxes on bank assets and higher stamp duties.

"If these were included in the



Budget people wouldn't be saying nothing too harsh has been imposed." Sandiford remarked.

He said that Government should be aiming at a high level of output and employment and a stable level of growth and the Budget should not be a game played between the Government and the Opposition.

Sandiford said he was also calling for a revision of the way the Budget was presented, with an early notification of the proposals so that the Opposition could make a proper analysis. He also wanted to know why the 1982 annual report of the Central Bank was not yet available to the public.

Sandiford said he was confident the Central Bank governor "fulfils his statutory obligations" and had already submitted his report to the Minister of Finance.

With regard to tourism, Sandiford said he was puzzled over these proposals and wanted to know if the intention was to make Barbados more expensive as a visitor destination.

He was again critical of the Barbados Defence Force's main ship, the Trident, which he said cost $7 million, was fitted with the latest anti-aircraft guns, could carry EXOCET ship destroying missiles and had provision for a helicopter deck.

Government's Food Target

Bridgetown THE NATION in English 3 May 83 p 3

[Text] LOCAL non-sugar agriculture should be earning $50 million in foreign exchange by 1990.

This objective was stated by Minister of Agriculture, Dr. Richard Cheltenham, last week during the 1983-84 Budget debate.

Cheltenham said a lot of his ministry's energies were being devoted to the development of non-sugar agriculture and fruit was already being borne with the significant increase last year in the constitution of this area of agriculture to the island's Gross Domestic Product.

He declared that "for the first time" firm contracts had been obtained from overseas agents for the exportation of yams, sweet potatoes, eddoes, ochras and sweet peppers.

These agents were listed as being in Canada, Britain and Holland.

Cheltenham noted that in last year's Burdget, Government had made it clear that non-sugar agriculture should be made to stabilise Barbados' economy and it would continue to grant the sector special incentives.

He stated that Government had also pledged to place full support behind the Barbados Agricultural Scoeity's (BAS) newly formed commercial trading arm, the Agricultural Trading Company (ATCO) and is at present responsible for part of the financing of its management.

The minister called on all local farmers to give their fullest cooperation to both BAS and the Government-owned Barbados Marketing Corporation (BMC), and he said he hoped they would do their best to meet any orders placed with them.

He noted there was still a need to expand the facilities of the BAS's headquarters at Beckles Road with the provision of more shed and storage facilities and the society also needed more refrigerated trucks to collect farmers' produce.

Bridgetown THE NATION in English 3 May 83 p 1

[Text]

A RESOLUTION calling on Government to withdraw the Emergency Powers Bill and another condemning one of the Prime Minister Tom Adams' recent budget measures — the tax on certain areas of severance payments — were among the four unanimously passed at yesterday's May Day celebrations at Mangrove in St. Philip.

Thousands who turned out heard Barbados Workers' Union General Secretary, Frank Walcott call on all workers to be prepared not to "allow the Government to get way with this money."

He was referring to the severance payment measure and said that Government was "cutting back" on those who had spent long years of service. He claimed that the money was for the protection of the workers.

Walcott said that some employers did not put any money into the National Insurance Scheme, but took the workers subscriptions and made use of them... but they did not get "locked up" for embezzlement.

Of the new severance payment tax he concluded: "We, as a trade union, have to watch this... we cannot give up, as a country, where the workers' rights are being eroded."

He added: "Rise up and tell the Government that you know the severance pay issue is a very serious thing."

The severance payments resolution read:

"Whereas severance payment legislation was fought for by the Barbados Workers' Union for a period of more than 20 years before it was enacted, and

"Whereas the Cabinet has decided to amend and revise the Severance Payments Act, and

"Whereas the proposed amendments and revisions threaten to reduce the sums which workers made redundant, through no fault of their own, would be eligible to receive, and

"Whereas the same proposed amendments seek to increase the rebate to employers thus making it easier for them to make workers redundant, and

"Recognising that some of the proposed revisions are not in the best interest of the workers of Barbados.

"Be it resolved that the workers of Barbados at their 1983 May Day celebrations at Mangrove in St. Philip, condemn the proposed amendments and revisions which seek to create less favourable provisions for workers than the existing legislation."

The resolution concerning the Emergency Powers Bill (1982) stated that the bill had been widely condemned by several important institutions in Barbados, including the trade unions and the church, and added:

"Whereas the Select Committee which has been set up to report on the Bill has continuously sought postponement of a third reading of the bill, and

"Recognising that the industrial relations climate of Barbados has shown a maturity and responsibility manifested by the lowest level of industrial dislocation in the Caribbean, and

"Realising that the Emergency Powers Bill (1982) is a serious assault to erode the quality of good industrial relations in Barbados in such a way as to disadvantage workers and their organisations,

"Be it resolved that the workers of Barbados at their 1983 May Day celebrations at Mangrove in St. Philip, support the Barbados Workers' Union in its call upon the Government to withdraw the Emergency Powers Bill (1982).

CSO: 3298/597

CARICOM TRADE ISSUE ELICITS LOCAL RESPONSES, PROPOSALS

Minister's Remarks

Bridgetown BARBADOS ADVOCATE in English 6 May 83 p 1

[Text]

Minister of Trade and Industry Mr. Bernard St. John, has said that it is because Barbados recognises the importance of Caricom that it had made more than its fair share of sacrifices to keep the movement going.

He said: "I don't think that there are many countries in an integration movement that have found themselves in the position in which they had to go to the International Monetary Fund for $30 million when their other partners owed them $60 million.

Mr. St. John comments came last Wednesday night at a reception hosted by the Barbados Industrial Development Corporation at the Hilton Hotel.

His audience included manufacturers, representatives of public utilities companies, the Caribbean Association of Industry and Commerce and prospective industrialists.

The Minister said that the current trade impasse had been going on for too long and that the Government of Barbados had made every effort to find a solution.

"We went to Jamaica: we went to Trinidad and we have offered now to host a Conference at the highest level, and we have had some acceptance of our invitation to come to Barbados this weekend to see whether we can finally resolve the knotty problems which are in existence."

"There is no doubt about it that once you are in an integration movement you lose some of your freedom. It is not possible in any integration movement for an individual country to operate as though it was not part of an integration movement.

"The Caricom Treaty does say that it is expected and recognised that differences in currency play an important part in regulating the free movement of trade and if there are great distortions and changes it can lead to problems. However, if you are going to make a major decision affecting your currency in an integration movement, you are under an obligation to consult and inform your colleagues so that they too will not be taken by surprises," he said.

The Barbados Minister of Trade said "It is not good for our manufacturers to have to lay off people. It is not good for other Caricom manufacturers to have to lay off people. But the basic position is that the stage has been reached where at the highest level we have to try and solve this problem"

In dealing with the IDC, Mr. St. John said that the Corporation has an important role to play. He said "I think that in the two very sensitive areas: furniture and garments and particularly in furniture, the IDC, the Export Promotion Corporation and perhaps what is more important, the furniture manufacturers themselves have decided that they wish to pool their talents, their money and their expertise to try to devise mechanisms to ensure that they can penetrate extra regional markets.

"The Government is very pleased with this development, We hope that in a similar way we will be able to do the same thing with the garment industry.

"Our strategy study has told us that our standards of wages and our aspirations and the aspirations of our workers have indicated that we have to be very selective about the type of industry that we have to attract to Barbados," Mr. St. John added.

The Minister of Trade said Barbados will have to convince our Caricom colleagues that there is need for a period of adjustment particularly during a world recession and everyone must proceed with due consideration to each other's interests.

Mr. St. John said that the co-operation between his Ministry, his developmental agencies and the manufacturers had been of a good order, and he wished to assure them that whatever inputs they had given were valued and together they would overcome.

Manufacturers' Proposal

Bridgetown BARBADOS ADVOCATE in English 6 May 83 p 1

[Excerpt]

Barbadian manufacturers, with their Caricom export trade at a virtual standstill and hundreds of workers out of work as a result, have called on Government to remove all restrictions in the way of bilateral trade with Trinidad and Tobago.

The call was contained in a lengthy resolution passed yesterday at the end of an emergency meeting called by the Barbados Manufacturers' Association (BMA) to seek ways to help in resolving its biggest crisis in its 19-year history.

The crisis has come about as a result of a decision by Trinidad and Tobago, this country's major Caricom export market, to place their regional imports under licence.

The situation has forced closure of 12 factories and some 1 000 workers have been laid off.

Call for Free Trade

Bridgetown SUNDAY SUN in English 8 May 83 p 1

[Text] THE Barbados Manufacturers' Association (BMA) yesterday exonerated itself from blame for the crisis threatening the collapse of the Caribbean Community free trade system, and reiterated its call for "free trade within CARICOM".

The association, in a statement issued by immediate past president Peter Miller, its public relations officer, said it had always supported regional integration and free trade within the CARICOM area.

"Whenever the BMA was satisfied that there was justifiable reason to call on Government for protection for local and CARICOM made goods in this market, it was done with regard to extra-regional imorts. At no time has the BMA called on Government to restrict CARICOM made goods," the statement added.

The BMA referred to trading difficulties with Guyana in the late seventies, when it "strategically called on local importers" and consumers to boycott a Guyanese trade show here, while at the same time calling on the Barbados and Guyana governments to regularise trade between the two countries in the spirit of the CARICOM treaty.

"As our trade position with Jamaica worsened, the BMA continued to call on our Government to make positive attempts to return us to unhindered trade. Our Government did in fact do all possible to bring about this...

"In the case of Trinidad and Tobago, the BMA has always noted that the only two markets left in CARICOM with free access for CARICOM made goods, were Barbados and Trinidad and Tobago. The BMA has never called or the Government of Barbados to restrict imports from Trinidad or any other CARICOM member, or place duties, taxes, or levies on these goods," the BMA added.

CSO: 3298/597

PLP CHIEF WARNS PARTY MP'S: NO COVER-UP OF SHODDY WORK

Hamilton THE ROYAL GAZETTE in English 4 May 83 p 1

[Text]

Opposition Leader Mrs. Lois Browne Evans has taken a tough stand against ineffective PLP MPs and has warned she will no longer cover up for those guilty of negligence and shoddy work in the future.

Her warning — the first indication of a new PLP direction and reorganisation since the party took a four-seat backslide in the February 3 election — was published in this month's edition of the news-sheet *PLP Party Line*.

The paper quotes the party leader: "I will not be tolerating in the future shoddy work, seat-warming and lack of commitment . . . I have ceased to cover up for those negligent ones.

"There are lots of young people out there ready to work and to represent people. They must be given an opportunity before they become disenchanted. I expect to see a lot of new faces in our ranks of candidates in the future."

Mrs. Browne Evans this year plans to totally reorganise and "revitalise" the party. *PLP Party Line* quotes her as saying. "As the PLP celebrates its 21st year, I hope to achieve the total reorganisation of the party by means of revitalisation of all branches," she said.

Mrs. Browne Evans, who became party leader following PLP constitutional changes last November, said she planned to tighten party organisation by requiring a renewal of commitment to hard work and the guiding principles of the party.

Committees had been boosted with new members and were now "working full steam, meeting regularly and planning and shaping the future", she said.

The PLP Youth Wing has also been re-established.

In February, the Progressive Labour Party — which has steadily increased its membership in the House of Assembly since its founding and in 1980 came its closest to toppling the United Bermuda Party by winning 18 of the 40 House of Assembly seats — suffered a crushing defeat at the polls and lost four members.

The party has blamed its losses on a poor and inefficient voter registration system.

CSO: 3298/599

THRUST OF SWAN'S 'SUCCESSFUL' TALKS IN CANADA REPORTED

Hamilton THE ROYAL GAZETTE in English 27 Apr 83 p 5

[Text]

The Premier the Hon. John Swan said yesterday that his visit to Canada last week strengthened ties with Bermuda. Further channels for reciprocal assistance are also expected to be opened.

Cabinet Secretary Mr. James Williams, who accompanied Mr. Swan, said the Minister of Employment and Immigration, Mr. Lloyd Axworthy, was particularly interested in the operation of Stonington Beach Hotel.

The Premier and Mr. Williams explained the concept of an hotel being staffed by students.

"Mr. Axworthy felt they might be able to benefit from this," said Mr. Williams. "We invited him to take a look at what we are doing."

Meetings with top Canadian officials were concentrated over three days and culminated with a luncheon hosted by Prime Minister Mr. Pierre Trudeau.

Mr. Swan said discussions covered general topics of mutual interest including the Canadian military base in Bermuda and the secondment of officials to the Island.

The first meeting was with Secretary of State Mr. Allan Maceachen at the Department of External Affairs in Ottawa.

Mr. Williams said it was emphasised that Bermuda and Canada had enjoyed a close relationship over the years. One such area was that of Bermudians attending schools and universities in Canada.

Mr. Maceachen inquired whether there was any friction with military personnel and was assured that there had been no problem with integration into the community.

The Premier said he discussed the Caribbean Base Initiative with Mr. Trudeau and stressed that Bermuda always stood ready to assist in any way it could.

The Canadian Prime Minister expressed an interest in what Bermuda was like. He and other officials were invited to pay a visit to see for themselves.

Other meetings were held with Minister of National Defence Mr. Jilles Lamontagne, Governor General Mr. Edward Schreyer and Ottawa Mayor Mrs. Marion Dewer.

The Premier and Mr. Williams were impressed with the way Ottawa had been developed, leaving them wishing Bermuda had more space for similar plans.

"It was a successful, busy, enlightening trip," said Mr. Swan. "Canada is always interested in what we are doing. It is not just a one-way street."

CSO: 3298/599

TAX HIKES PART OF GOVERNMENT MOVE TO LIMIT VISITS OF CRUISE SHIPS

Hamilton THE ROYAL GAZETTE in English 26 Apr 83 p 1

[Text]

Government has adopted a new policy of increasing taxes against cruise ship passengers in an effort to curb the cruise market and its damage to the Island's life, it was revealed in the Senate yesterday.

Minister without Portfolio Senator the Hon. Charles Collis said efforts to restrict numbers of cruise ship passengers in Bermuda at *any* one time by regulating cruise ships were not proving effective as larger ships were now plying the Bermuda route.

The admission of this new Government policy was made during Senate debate on an increase in cruise ship passenger departure taxes — from $15 to $20. In the House of Assembly on Friday by the Hon. David Gibbons, Minister of Finance, explained that maintenance costs at both cruise and cargo docks had risen, and that cruise ship passengers had to bear the brunt because moves in shipping towards container business made it difficult to levy taxes accordingly.

But Senator Collis admitted yesterday that was only one part of the reason for the hike when challenged by Opposition Senator David Allen — who said that according to the 1983-1984 budget, costs at the docks were expected to rise by only a small portion of the expected $650,000 leap in cruise ship passenger tax revenues. Dock costs, said Senator Allen, were expected to increase by only $160,000.

Senator Collis said the increase was to be levied "as a result of two substantial years of cruise ship business and substantial perceived disruption of the infrastructure as a result of the numbers of visitors, and also there is certainly an element of additional costs involved in bringing these ships in, and also an element that these passengers do not make the same contribution for various reasons as do our regular visitors."

He said it was necessary to curb the numbers of cruise ship visitors in Bermuda at any one time.

Senator Allen was not the only one to object to the $5 increase.

Government Senator Llewellyn Peniston, a director of the shipping agency J. S. Darrell, voiced his strong opposition to the hike although he made it clear he would vote for it.

Describing the increase as his "Achilles heel", Senator Peniston warned that Bermuda's $20 departure tax was now the highest in the Carribbean and the Island could find itself priced out of the market.

MIR FINANCIAL SQUAD LEADER ARRESTED

Santiago EL MERCURIO in Spanish 28 Apr 83 p C 5

[Text] Higinio Alfonso Espergue Cordova, who, according to an official communique of the National Center of Information [CNI], held the posts of head of the financial squad of the military apparatus and chief of the regional administration of the outlawed Movement of the Revolutionary Left [MIR], was arrested by security bodies.

The bulletin points out that at the time of his arrest, Espergue Cordova, who was using the political name of "David," was carrying a false identity card in the name of Luis Jorge Acuna Campos, with the Santiago number 7.771.739-0.

The subversive offender participated, according to the report, in the planning and execution of: attack and robbery on the Banco del Estado, Manquehue branch, on 22 June 1981; attack on the Banco Osorno y La Union, Vega Poniente branch, perpetrated 10 September 1981; attack on the Banco de Chile, San Pablo branch, made on 30 October 1981; attack on the offices of the Vina San Pedro [San Pedro Vineyard] on 22 February 1982; attack on the CCU distributor, located at Calle Garvajal 0186, on 2 March 1982; attack on the Datsun company, in Avenida Grecia 310, on 12 March 1982; attack on the MADECO [Copper Manufactures Inc] industry, at Calle Ureta Cox 920, on 28 May 1982; attack on the Nobis bottler, at Calle San Cristobal 1280, on 19 June 1982.

The bulletin also adds that Espergue Cordova directed and participated in the attack perpetrated on the customs Officer Reserves, on Calle Vicuna Mackenna 1759, in the La Bandera district.

The CNI communique states that a P-25 submachinegun of Czechoslovakian make with two chambers and about 100 bullets; a 22 caliber Italo revolver; a 6.35 caliber Browing pistol with two chambers and ample ammunition; a home-made hand grenade; three bags of aluminum powder for preparing incendiary devices and plans for violent acts, subversive propaganda material and instructions for manufacturing explosive devices were seized from Espergue Cordova.

9545
CSO: 3348/373

CURRENT CAMPAIGN YIELDS INCREASE IN FRUIT EXPORTS

Santiago EL MERCURIO in Spanish 4 May 83 p B 2

[Text] Exports of fruits and vegetables up to April reached 31,000,849 boxes, which marks a record in this type of sales abroad, and represents an increase of 32 percent compared with the levels of the preceding campaign.

Thus reported the Association of Chilean Exporters, who indicated that the shipments of fruit to the international markets in April totaled 7,483,000 boxes. In April of last year 7,305,000 boxes were shipped, which reveals a monthly increase on the order of 2.4 percent.

Table grapes continues to be the fruit with the greatest sales volumes abroad Apples and pears also show substantial figures, according to the association's statistics.

Foreign Markets

The United States is the main market for these products, followed by Europe, the Middle East and Latin America. Last March, the best sales month of the season, more than 7 million boxes of fruit were shipped to the United States. Five million 175 boxes were shipped to the European markets and 2,058,000 boxes to the Middle East.

Also in March 325,000 boxes were shipped to the Latin American markets; 92,000 to Canada and 56,000 to the Far East.

Ports of Shipment

Sea transport is the means most widely used, according to the association. From October 1982 until April of this year 26,000,327 boxes have been shipped through Valparaiso (an increase of 49.6 percent compared with the previous season) and 4,478,000 boxes (-17.4 percent) through San Antonio.

The boxes sent by air totaled to April 1,043,000, a drop of 5.9 percent compared with the same period of the preceding campaign.

Change in the Rules

Agents of the fruit exporting sector said that March was the best sales month in the history of this activity in Chile (14,769,887 boxes), equal to the total exported by the fruit sector in the 79-80 season.

In their opinion, this is the result of sustained work, systematic investments in the sector, an intelligent and timely planning displayed by CORFO [Production Development Corporation] and, finally, the result of an effective policy of real valorization of the dollar.

However, agents of the association said, recently the rules for exporters were changed which could lead to "discouragement and give rise to a negative outcome."

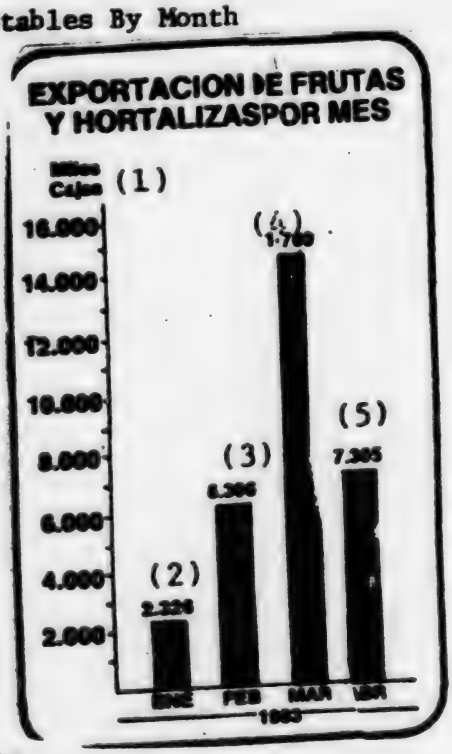
The association's director, Andres Ureta, stressed that "although the government is interested in promoting exports, which is thus reflected in the decision to maintain a real exchange rate, it is equally true that rules have been dictated that we consider restrictive".

Among these rules are those related to the refund of the IVA [Value Added Tax] to the exporters, "which represents a kind of tax on exports, on demanding from the businessmen a previous deposit, for 90 days, equal to 20 percent of the amount exported".

Ureta argued that this represents a greater financial expense with which some products, given the profit margins that they are operating on will not be able to be exported.

Ureta explained that while the refund of the ICA is retained from the exporters for 90 days, they have to pay it to their suppliers immediately, compelling them to seek funds from the banks. The banks in turn request guarantees, which are diminished for the above reason.

Figure 1. Export of Fruits and Vegetables By Month



Key:

1. Thousands of boxes
2. January
3. February
4. March
5. April

9545
CSO: 3348/373

NEW CHIEF JUSTICE FACES TOUGH TASKS

Santiago EL MERCURIO in Spanish 19 May 83 p A 10

[Interview with Supreme Court Chief Justice Rafael Retamal Lopez on 18 May at his home]

[Excerpts] Minister Rafael Retamal Lopez described his new job as chief justice of the Supreme Court as an "extraordinarily weighty" and "very complex" responsibility. Interviewed at his home last night, he also acknowledged that "I lack the experience to run such an extensive Judiciary."

The chief justice arrived at his home on Los Talaveras Street in the town of Nunoa at 1925 hours and granted EL MERCURIO his first interview since his appointment.

Minutes before he had left the court building, where the efforts of newsmen to learn his views had been fruitless.

Waiting to greet him in his cozy home were his wife Estela Rojas Morales, his daughter Mireya, his granddaughters Claudia and Paula and his great-granddaughter Claudia Trujillo. Even though the younger children did not fully understand what the head of the family's new post meant, they celebrated enthusiastically.

"I Lack Experience"

[Question] What does this new post mean to you?

[Answer] It is a responsibility that I feel is extraordinarily weighty, very complex. I lack experience in the art of running such an extensive Judiciary and, therefore, I feel a sort of natural fear. We will see whether things work out on the job, so that I perform satisfactorily for the country and for the Judiciary.

[Question] Why did you decide to take office in June and not right away?

[Answer] Because I wanted to devote this time to finishing up some pending matters in the court that I presided over.

Shares Views

[Question] Your predecessor, Israel Borquez, was harshly critical of agencies that cooperate with the justice system as well as of certain printed media...

[Answer] Some of his judgments were critical, but others were positive.

[Question] Do you think that his judgments were justified?

[Answer] I think that my predecessor was misinterpreted by the press on more than one occasion. He spoke only of journalistic excesses. He did not speak of normal, reasonable, prudent journalism. I think that he respected and continues to respect this field of endeavor, and his criticisms were leveled only at the excessive publicity given to certain confidential matters, such as, for example, the criminal trial proceedings.

[Question] Do you share his opinions?

[Answer] I share my predecessor's opinions on the issue of inordinate publicity and, like him, I respect the work of journalism because in times like these it is indispensable for the normal pursuit of all human activities and because communication is a human right today.

More Judges Needed

When asked whether reforms of the Judiciary would be considered, the chief justice stated that "some reforms are necessary, but not many, inasmuch as it would be impossible to change legal principles."

He added that proceedings had to be expedited as well, but to do this "more judges are needed." He emphasized that even with streamlined proceedings the task would be difficult "if there are too few judges."

On a personal level, he acknowledged that at first "I thought about declining the job, because in a way it seemed to me to be at variance with my approach to life. I like to do things privately, without publicity, and since newsmen are interested in finding out the opinion of the chief justice, I was going to have to proceed in a manner at odds with my way of life."

8743
CSO: 3348/413

INCREASES, DECREASES IN INDUSTRIAL MANUFACTURING REPORTED

Santiago EL MERCURIO in Spanish 20 May 83 p b 2

[Text] Industrial manufacturing output posted a 10.8 percent drop during the first quarter of this year from the same period in 1982, according to the monthly index that the National Statistics Institute puts out.

Last March the index stood at 92.6, a fall of 9.5 percent from the industrial output level of March 1982.

Gap Narrowing

Even though the figures show that industrial activity as a whole is still below last year's levels, the gap is tending to narrow. The drop from January-February 1982 to the same period in 1983 was 12 percent, where the falloff from February to February was 11.9 percent.

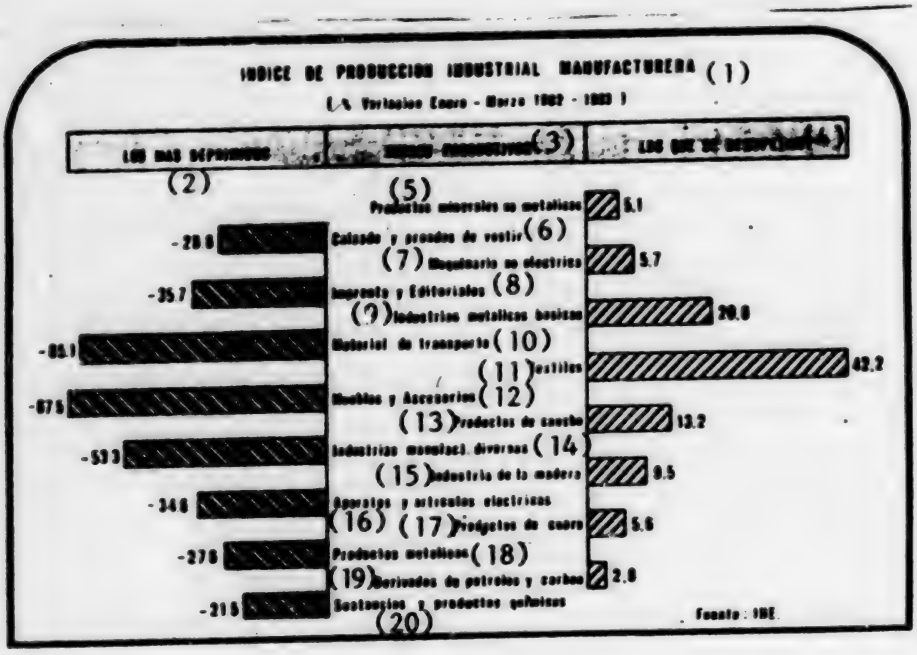
A comparison of the same 2-month periods shows that of the 20 groups in the index 15 posted output declines. Over the first quarter the number of industries recording production drops fell to 12.

This suggests that industrial production is beginning to recover, albeit relatively slowly. Since the effects of the recovery program (debt rescheduling and tariff boosts) have not yet been felt, however, the industrial recovery will probably speed up in the months to come.

Production Increases

The graph below shows the eight industries that posted production increases during the first 3 months of this year. Noteworthy here is the sharp rise among textile companies (42.2 percent), which is attributed to the higher output brought on by the rise in the value of the dollar and the application of tariff surcharges.

Other lines whose growth is reportedly due to a rebound on the domestic market are leather goods (5.6 percent), rubber goods (13.2), nonmetal mineral products (5.1) and nonelectrical machinery (5.7).



Key:

1. Index Of Industrial Manufacturing Production (percent change from January-March 1982 to January-March 1983)
2. In a severe slump
3. Product lines
4. On the mend
5. Nonmetal mineral products
6. Footwear and clothing
7. Nonelectrical machinery
8. Printing and publishing
9. Basic metals industries
10. Transportation equipment
11. Textiles
12. Furniture and accessories
13. Rubber goods
14. Miscellaneous manufacturing industries
15. Lumber industry
16. Electrical equipment and items
17. Leather goods
18. Metal goods
19. Oil and coal derivatives
20. Chemical substances and products

The industries whose expansion would be explained by their enhanced competitiveness on the overseas market are the lumber industry (9.5 percent) and basic metals industries (20 percent).

Industries in a Slump

The industries that posted the sharpest output drops between the first quarters of 1982 and 1983 are transportation equipment (65.1 percent), furniture and accessories (67.5) and miscellaneous manufacturing industries (53.3 percent).

The drop in the first-mentioned industry is reportedly due to the excessive expansion of the motor vehicle fleet in previous years, which has translated into a high level of idle or underused transportation capacity.

With regard to furniture production, the demand for these items is closely linked to what happens in housing construction, which is still depressed. As the government's new arrangement for selling off the housing stock takes effect, however, we can expect an upswing in the demand for furniture.

8743
CSO: 3348/413

DANGERS OF COMMUNISM EMPHASIZED

Santiago EL MERCURIO in Spanish 20 May 83 p C 3

[Text] The head of the National Directorate of Mass Media (DINACOS), Osvaldo Rivera, emphasized yesterday that the Chilean people must realize that Marxism is still alive in the country, undermining and infiltrating everything that is conducive to their goals and waiting for the opportunity to again take action to establish the so-called "dictatorship of the proletariat."

Rivera gave a talk on "The Strategies and Tactics of Marxism" to women and young people in the city of Arica, during which he outlined the Marxist doctrine, its historic development and what happened in Chile.

Young People

He had the following to say regarding the country's youth: "There are currently 2,429,575 children in Chile between the ages of 1 and 9, children who, therefore, did not experience the Marxist government and did not know the anguish and suffering of their parents." He went on to say that the country's young adults, between 20 and 24 years of age, are capable of assessing the damage that Marxism did to Chile, which after 10 years of hard work and sacrifice has lifted itself up vigorously amid a progress and tranquility that no one wishes to lose.

He stated that these young people have to be trained, educated and warned about the dangers that are latent today and that they will, therefore, have to confront in the future. More than half of these young people, the nation's future, know nothing about and have never heard mention of Marxist-Leninist doctrine, much less communism, communists and the Communist Party.

"Hence I am convinced that it is urgently necessary to warn them of the dangers that this entails. To those who claim that communism belongs to Chile's past, I am saying directly: Careful! The threat is there. Safeguard your destiny, reaffirm your dedication and know your enemy."

"New Forms of Struggle"

He stressed that "our struggle must be planned and have a solid groundwork. Under no circumstances should it depend on sporadic institutions to tackle the problem. We need a permanent awareness of the danger that communism poses."

"It is not enough," he stated, "to declare the Communist Party illegal. We cannot and should not feel satisfied to see its internal structure weakened. We must strengthen our national awareness and our principles of freedom and justice.

"Our experience shows us," he underscored, "that almost 10 years after having suffered a serious defeat the Communist Party still has cells and underground organizations, and it is not overbold to assume that it could at any time begin new forms of armed struggle, as well as peaceful struggles through infiltration of the Church, the unions, social organizations and even the Armed Forces."

Taking Advantage of Democracy

Towards the end of his speech the DINACOS director stated: "The communists do not fear democracy because they know how to take advantage of it. They do not fear political parties either, because they can infiltrate them, and they take advantage of the Church's good faith to mock it. The only thing that they really fear is granite-like, sound and inspired Armed Forces that do not hesitate to confront them."

The Same Principles

In the first part of his address Osvaldo Rivera gave an extensive and detailed outline of the history of Marxism, from its beginnings to recent times, quoting passages from Lenin and Communist Party congresses. In this regard he specified that "wherever today's communist are, they follow the same principles set forth and imposed by Lenin, principles that advocate permanent agitation, sophistry and evil means in the political, social and economic spheres to achieve the main objective of destabilizing societies and governments that do not share their inspiration."

He then mentioned several features of this doctrine: a) It has an unlimited capacity to camouflage itself in the various settings in which it operates; b) The methods of communist action are universal in application, inasmuch as they stem from the resolutions, instructions and regulations that have been approved at the First, Second, Third and Fourth Communist Internationals; c) In pursuing their strategy the communists have always maintained one legal party and another underground party as a precaution against any potentially adverse situation (In this regard he discussed its organization of cells, regional and provincial committees and the Central Committee, which in turn elects the Political Commission,

which consists of 13 members and is chaired by the secretary general of the party); and d) They always seek to use institutions or individuals as tools and to set up front organizations.

Rivera emphasized that "this doctrine, which is dogmatic and in service to a totalitarian imperialism, wages a timeless struggle."

8743
CSO: 3348/413

INTERIOR MINISTRY DECLARATION CONDEMNS 11 MAY PROTEST

Santiago TERCERA DE LA HORA in Spanish 13 May 83 p 4

[Text] The government has signaled the "resounding failure" of the national strike on Wednesday and said that its instigators "promoted concerted action in which, resorting to collaboration with common criminals and extremist elements, provoked acts of irrational violence, attacking law and order officials, without any consideration for the lives, safety and property of the people."

The official position was made known through the following statement from the minister of interior, Gen Enrique Montero:

It is common knowledge that the Confederation of Copper Workers (CTC), headed by its president, Rodolfo Seguel, called for a national strike in the so-called Punta de Tralca Accord, which strike was to take place yesterday.

Through profuse statements, they later tried to mobilize public opinion, calling for the support needed to ensure the success of the movement, but were unsuccessful.

On Saturday, 8 May, in an attitude of clear moral weakness, these same leaders, aware of their imminent failure, tried, in a hasty retreat, to disassociate themselves from the consequences of their call for a paralysis of activities.

Illegitimate Objectives

It is also common knowledge that from the time when the summons was issued and until 11 May, the government abstained from intervening directly or indirectly, so as not to be blamed for standing in the way of the innumerable actions of these and other trade union leaders futilely seeking solidarity with their illegitimate objectives. On the contrary, they were able to proceed without any restrictions and in their action, they not only tried to provoke authorities, but also openly violated existing labor legislation and attempted to disturb the public order, which the government has the obligation to preserve. Consequently, in the face of the total failure of their maneuvers, they cannot claim that the fracaso was due to alleged threats or the use of legal and legitimate force.

The citizens have witnessed the resounding failure of the call for a strike and of the protest demonstrations, considering that yesterday, national

activities proceeded absolutely normally. On the contrary, there was massive and exemplary attendance at places of work by all labor sectors of the country.

Patriotic Behavior

Nor can the authorities be accused of any action aimed at intimidating workers. The patriotic conduct of the workers must be mentioned, for it constitutes -- without any need for special incentives -- a repudiation of those who unsuccessfully tried to politicize the trade union activity of the country.

The failure of the instigators was so obvious that, in an irresponsible reaction, after 2000 hours yesterday, they promoted a concerted action in which, resorting to cooperation with common criminals and extremist elements, they provoked acts of irrational violence, attacking officers of law and order, without any consideration for the lives, safety and property of the people. Such acts mainly took place in Lo Hermida, La Victoria, La Castrina, La Legua and Avda. Grecia, where these elements, ostensibly recruited among vagrants, made indiscriminate use of short firearms and other automatic weapons against the Carabineros, with the undeniable intent to cause harm. These openly subversive events were concentrated in precise places, denoting premeditation, and did not affect either the northern or western sectors of the capital.

Enforcement of the Law

Authorities have the constitutional duty of ensuring strict and rigorous compliance with the law, applying it to the letter to those committing crimes by trying to disturb the country's peace and tranquillity. Those responsible will now have to assume the consequences of their criminal conduct.

Those believing they could hide behind their status as trade union leaders, those who demonstrated their moral incompetence by abandoning those they had led into subversive and violent activities, those who acted under instructions and with foreign financing, will have to answer before the regular courts to the legal and legitimate charges leveled at them by the proper authorities.

In noting the complete failure of the actions instituted by certain labor leaders, the government makes it its duty to recognize once more the patriotic and prudent response of all Chileans, who want nothing but to live and work in order and peace.

11,464
CSO: 3348/405

CAUTION ADVISED IN GOVERNMENT'S ANTI-CRIMINAL OPERATIONS

Santiago EL MERCURIO in Spanish 18 May 83 p A3

[Text] Acting upon instructions from the state of emergency zone headquarters, Carabineros, investigative officers and personnel from the army and air force carried out a "crime prevention operation" in various outlying areas of Santiago. Nearly 2,000 persons between the ages of 14 and 45 were forced to leave their homes early in the morning and subjected to a review of their personal background.

The purpose of the police action was to detect possible subversive and antisocial elements and to confiscate weapons and explosives in order to "ensure the security and well-being of the population and permit the normal development of the citizens' activities."

It is true that the achievement of healthy coexistence in such settlements and the elimination of the usual crime besetting these sectors has been one of the most widespread desires of the people. For many, one fundamental accomplishment of the military government in its early years was precisely greater peace and security for the population.

In the recent operations, 300 persons with police records and 120 others for whom warrants had been issued by various criminal courts were arrested. These persons, including common criminals and terrorists, have been turned over to the regular courts.

Nevertheless, both the timeliness and the way in which the preventive operations were carried out give rise to the interpretation that they were an attempt to intimidate persons whose only crime is that of living in troubled areas. In fact, it is not possible to disassociate the operations from the incidents of 11 May and the "day of protest." The arrests came as a result of disturbances in the town of La Victoria arising out of the funeral of the taxi driver who died on the day of the demonstrations. Consequently, they definitely have certain political connotations.

This explains the interpretation of the operations by one religious congregation as "a housebreaking for the purpose of intimidation and reprisal."

Maintaining the public order has always been a difficult task to perform in a clean manner and without implicating innocent individuals who should not be

labeled as criminals ahead of time. Authorities face the complex dilemma of preventing criminal or subversive acts that would disturb the peace and plunge the people into fear and insecurity, while at the same time avoiding any interpretation of their action as more dangerous than the evil they are trying to prevent. That is why these operations, which have a praiseworthy goal, must be carried out with utmost care and in a selective manner, so that they will not be viewed as a means of humiliating the most deprived groups.

This is necessary, not only for humanitarian reasons, but also in order to achieve greater effectiveness in the detection of guilty parties, for any crime prevention measure benefits from the support of the community one is trying to defend.

Finally, from the political standpoint, the government would reap enormous benefits if it undertakes continuing careful vigilance and protection of towns, thereby restoring its image as guardian of the social peace, but without being guilty of excesses that are counterproductive for the very goals pursued.

11,464
CSO: 3348/405

BRIEFS

EXPORTS TO SPAIN INCREASE--National exports to Spain are gradually increasing, while sales to our country have demonstrated a downward trend, Alejandro Skoknic, Chilean trade attache in Madrid, stated yesterday. Skoknic is in Santiago on official business. He emphasized that our country has great possibilities of rectifying the trade balance with Spain in short-range terms. Our country imports some $150 million worth of products from Spain, while Chilean purchases amount to $90 million. National sales to Spain have increased slightly, despite restrictions on European markets because of the recession. The fishing sector has very interesting prospects on the Spanish market since the consumption of sea products in that nation is enormous, while production appears to be very limited. Spain now buys fresh and frozen fish from the EEC and there are some obstacles, basically due to licenses. "For that reason," Skoknic said, "Chile has an open field for selling and placing its fishing products on the market." The commercial attache said that Chile is making substantial progress in sales of potassium nitrate to Spain, which have increased 100 percent. [Text] [Santiago TERCERA DE LA HORA in Spanish 17 May 83 p 14A] 11,464

CSO: 3348/405

REPORTAGE ON REFINERY IN CIENFUEGOS BAY

Havana BOHEMIA in Spanish 22 Apr 83, No 16, pp 28-31

[Article by Raul Lazo: "Keep the Fire"]

[Excerpts] 20th Century Prometheus

The Cuban construction workers, real and wonderful "Prometheus" of the 20th century, can be represented by ECOI [Engineering Projects Construction Enterprise] No. 12 and its more than 2,600 workers who form an earth movement brigade, three construction groups and one assembly group. They have begun to build in the industrial belt that surrounds the beautiful Cienfuegos Bay what will be, when completed, the largest oil refinery in the country, the nucleus of the new Cuban petrochemical industry.

A project of this size whose cost is estimated at about 100 million pesos is also characterized by the large weight and dimensions of the equipment to be installed. In this case, programming and work organization are basic in order to avoid bottlenecks in execution.

First it was necessary to build a pier in order to unload heavy weights since the existing highways and bridges did not permit transfer of the "balls" for the tanks which are 24 meters long to the place where the refinery is being built. Some of the equipment weighs up to 150 tons; these "balls" weigh between 80 and 90 tons. The pier is 90 meters long and 10 meters wide. The permanent pier at the refinery will be 1 kilometer, 1,000 meters, long. The dredging project will move millions of cubic meters of material from the bottom of the sea.

To get an idea of the magnitude of the work to be done, we provide some construction data below and the general progress until now:

About 6 million cubic meters of earth must be moved with about 3.6 million meters already "moved." The earth movement brigade has been one of the most distinguished in the execution of the project.

This gigantic project requires 180,000 cubic meters of poured concrete for the foundation. This is already about 20 percent completed.

The prefabricated concrete will total 40,000 cubic meters. Very little of this has been done yet.

About 27,000 tons of reinforced steel will be used; 10 percent has already been used.

The metallic structures will weigh 7,000 tons.

The total weight of the pipes will reach 34,000 tons and their extension totals almost 200 kilometers.

The technological equipment will weigh about 14,000 tons.

The materials used for tank construction will reach 39,000 tons.

The access roads to be constructed will cover 25 kilometers.

The complexity of this project, though, cannot be measured merely by the size and weight of the equipment nor by the amount of concrete poured but by the quality that each one of the project objectives must have, beginning with the foundation work on which the gigantic, heavy equipment will rest. Before beginning the construction stage, there was hard, careful work to lay out the refinery to guarantee that the terrain and earth on which it would be erected had the appropriate conditions and resistance.

The support base that will supply the concrete to be used in the construction of the refinery, prefabricate all the outer structure and fit the pipes and conduits is itself an impressive industry due to its dimensions.

Since the support base still does not produce at full capacity, some of the metallic structures are brought in from the El Vaquerito plants in Villa Clara and Las Tunas.

Assault Work by the Youth

This is a young project constructed by youths; they form an impressive productive force of more than 2,500 workers. The members of the UJC [Union of Young Communists] in the construction and investment enterprises form an enthusiastic labor force of more than 500 communist youths who, with the other young workers, are having an emulation with the construction workers of the nuclear energy plant being built near Cienfuegos Bay.

Domingo Aguila, a member of the UJC committee of the investment enterprise, told us: "We have a commitment to the revolution and the party and we are going to fulfill it. We are determined to guarantee the quality of each one of the project objectives and very seriously prepare ourselves to operate the plant when our construction worker comrades turn it over to us completed."

A large part of the labor force is lodged there and works under the pass system that operates on a 12 and 3 interval—that is, 12 days of work and 3 days off; 24 days of work and 6 days off; and 32 days of work and 10 days off. The youths work enthusiastically and hard. They also prepare the material conditions for use of their free time. They have an amphitheater and a ball field is being prepared for a friendly "emulation" not only in work but also in sports.

Given the magnitude of this gigantic project which, once completed, will cover more than 4 million square meters, it is an important way to provide political, labor and professional training for the youths.

"We need pipes by the truckload," one of the technicians told us. Anyone willing to advance or learn the job of "pipe fitter" has an unlimited field. He can begin as helper and end as a worker in many professions: welder, mechanic, tinsmith. Work and study go hand in hand in the project.

Heart of the Fire

These young construction workers will not need to go to the sun in Prometheus' winged chariot to give the 1,700 workers who will operate the refinery the vital fire to carry out the oil refining production processes.

However, they must rise quite high, using the technology of interchangeable molds, to construct a 190-meter chimney, the highest in Cuba. All the gases of the 19 furnaces in the plant will be vented out through it.

The base was constructed in a month and has a diameter of 16 meters. It took 180 tons of steel of different diameters and 4,300 cubic meters of poured concrete for the foundation. The diameter of this chimney at the top will be 4 meters.

Its great height will prevent pollution and make it possible to dispense with ventilators by creating a powerful pull to evacuate the gases. The complexity of the construction of this chimney is not only due to its great size but also the careful masonry work to cover it with insulating material.

High Degree of Automation

There is still a long time before the 16,000 measurement and control instruments of the plant will be installed. However, the instrument operators of the investment enterprise--whose workers will operate the refinery--are already at the project site to insure the optimal quality of all the work that is related to the assembly of this equipment totalling about $9 million.

The refinery will operate with a high range of voltages and 24 stations. Its electrical feed lines supplied by the electrical enterprise will be several kilometers long although it will also have its own generating plant.

Complex Drainage System

The drainage system will prevent pollution of the waters of the bay. All the water polluted with oil will go to a treatment plant which will be one of the largest in the country.

The system also extends several kilometers. It will permit the appropriate evacuation of all water from the plant area.

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IMPROVEMENTS NEEDED IN HAVANA CITY SERVICES

Havana BOHEMIA in Spanish 22 Apr 83, No 16, p 32

[Article by Alberto Pozo: "Challenge of Services in Havana City"]

[Text] An essential part in the management of Havana City with its multifaceted activities of trade, food service and services as a whole is the strengthening of individual demand. Each one has to be responsible for himself.

This concept which, in our opinion, is basic in order to improve the quality of services that the people receive was stated by comrade Arsenio Torres, a member of the executive committee of Havana City and also a member of the party provincial committee. It should be stressed and even converted into a work banner for all this activity.

This was expressed in the preliminary conclusions of the review assembly of the 1982 service activities held some days ago. He also removed the veil hiding those who protected themselves with the justification of the phrase: "I said it." Therefore, "I am content and at peace with my conscience." It is not "I said it" but "I resolved it"; that is the keynote that is being used more in Havana City.

To be precise and fair and not confuse the above with praise, let us say that, in spite of the progress in this sector, the real needs of the city have not been resolved. A survey is not needed to state that no one who knows of the efforts made would disagree about the quality.

There are many factors that influence this situation: shortage of resources; problems in the cycle, quality and quantity of supplies; administrative disorganization; poor skills of the work force; lack of cold storage and warehouses; and even historic conditions that influence the possibilities of improving the quality of services. There are also other points. Since they are involved and influence each other, the situation becomes more complex.

In addition to all these aspects, the structure of Havana itself affects the difficulties. The truth is that Havana is monocentric: its commercial center is concentrated around Galiano and San Rafael.

Havana is not what we think. There is a shell that, in general, includes the municipalities of Habana Vieja, Centro Habana and Plaza de la Revolucion. This

shell is surrounded by broad peripheral areas, some of which have the characteristics of towns. We mean municipalities like San Miguel del Padron, Cotorro, Arroyo Naranjo, Boyeros and La Lisa. I have heard their inhabitants exclaim: "I am going to Havana." This summarizes what we mean.

Although the subject was not specifically discussed in the review assembly, it seems to us that one success in the city has been to accentuate the development of the peripheral areas which in the long run has the good result of decongesting the downtown area and facilitating services to that immense population that lives in the outer areas.

One of the tasks involved in this is marketing. Two well-known examples where it is possible to see the results are Cotorro, an industrialized municipality that had no services, and La Lisa which was in the same condition. This decongesting idea of marketing has spread to the rest of the services. Of course, the work of the municipal executive committees, each one beneficially regionalized, has been important.

For the reader who is not very clear about the concept of marketing, let us explaim that it means the concentration of grocery stores, butcher shops, milk stands and fish stores in a supermarket. Service can be offered with better quality because there are better environmental conditions. It is possible to create a better environment because the larger staff permits a party cell and a union section. This system also facilitates prepackaging; that is, the products come already packaged which makes sales faster and safer.

In short, much can be said about services in Havana City, achievements and problems. The final balance for 1982 leans toward the positive. We believe that this balance is due to the fact that this sector is reaching out to the inhabitants.

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NEED TO CUT WASTE, SAVE RESOURCES DISCUSSED

Havana BOHEMIA in Spanish 29 Apr 83, No 17, pp 28-31

[Article by Julian Ramos Trujillo: "How to Save Resources"; passages enclosed in slantlines printed in boldface]

[Text] It is clear to everyone that it is very important to save material resources.

Improved economic efficiency, insuring continued improvement in the standard of living of our people, depend on it to a great degree.

However, at times the question arises:

Exactly how should we save?

To save, it is necessary to apply measures at the job level and, logically, "we must all apply ourselves," as we say now.

In every factory, farm, cooperative or service unit there are two strategic starting points to analyze the measures to be applied to save material resources.

One is the end of the productive process. The quality of its products or services is very important to each work center. There must be vigilance that the planned norms are fulfilled and that the needs for which they are allocated are satisfactorily met.

This is an important part of savings because if this is not done, a good part of the work and material resources contained in the products or service is lost and the economic and social efficiency of those productive activities is reduced.

The other strategic starting point to analyze savings measures is the path that the material resources which are part or participate in each production process or service follow, starting from their origin until they are totally destroyed--that is, are no longer useful.

Therefore, to determine the measures we must apply to /save/, we must follow the entire useful life of the material resources step by step.

The first step is to take care of them in transit from their origin to the place of consumption.

Resources can have two origins:

Importation; or

National production.

There are contracts for imported resources that regulate the form and time of delivery, quality, quantity and condition of the products. Generally, this is covered by clauses in those contracts that permit /claims/ for missing items, deficient /quality/ and failure to comply with /delivery dates/.

The /condition/ is protected by /insurance that is paid for with foreign currency/.

Therefore, one way to save is to make sure that /we receive everything we paid for in the imported products/, that /we demand and obtain a refund for the products that we receive defective or lacking in quantity or quality/.

We must make claims if they are not /received on the planned date/ which can affect the activities for which they are allocated. This cost must be paid, if it has been stipulated in the contract, by the supplier who did not deliver on time or the transporter who caused the delay.

This must be insured by all those who participate in the importation process through concrete measures for contracting by the foreign trade enterprises, for transportation from the ports of origin to our country, for handling, for receiving at the docks and for transfer to the work center that will use them. Correct receiving that detects defects in quantity and quality and expedites our mechanisms for claims and arbitration are very important measures in the claims process.

In the case of national products, the material resources must be cared for from the time they go to the finished products warehouse of the production center.

The most important measures to be applied are: quality control, inventory rotation and control, appropriate storage and protection against losses or leakage. This last measure is more necessary for perishable products like agricultural products and the food industry.

Shipment to the destination of the products or providing services within the time planned, according to the contracts, keeps the users from facing a lack of supply for the execution of their production or service plans and guarantees greater efficiency in economic activities for sellers, buyers and society as a whole.

Protection of the resources during transportation is another important factor.

Once the imported and national resources are at the work center that is going to use them, new measures must be taken to save material resources.

The first is to be demanding in receiving, storing and caring for these resources.

The reception process must detect all existing deficiencies, establishing the pertinent claims so that no part of any product or service, whether imported or national, is lost for this reason.

After the supplies are received, they must be appropriately stored, maintaining proper inventory control and rotation, avoiding all possible losses for leakage and deterioration.

There must be an analysis of how an uninterrupted supply to production and services can be insured with a minimal inventory, reducing inventory norms.

This would decrease the quantity of products that must be held immobilized and, therefore, the costs of the work centers and society.

A disorganized warehouse means poor use and waste of resources. Measures of protection must be taken when necessary. For example:

Products that are perishable must be used within the planned time--like chemical reagents with expiration dates--or preserved under proper climatic conditions, cold or hot depending on the characteristics--like some foods and electrodes, respectively.

The products that must be stored for long periods of time must be protected with preservatives--like spare parts and metals--or other means that guarantee their condition and quality.

A measurement system that insures a correct count is indispensable to prevent lack of inventory control, inappropriate use of resources and problems in the application of consumption norms.

Other measures must be applied to achieve savings during the use of the resources in the production or service activities for which they are allocated.

First, it is necessary to insure that all the equipment, machinery and tools are in the technical condition to guarantee fulfillment of the norms and possible reduction in the consumption of fuels, lubricants and electrical energy which also uses oil.

Machinery in poor technical condition will squander raw materials and increase waste and will affect the productivity and costs of the work center.

In each step of the consumption process, technological modifications or efficiency measures that make it possible to reduce the material content of the product or service and the scraps produced must be studied.

Possible modifications in designs must be introduced so that the products become lighter with less material content but retain their characteristics of beauty and quality.

Services must become more efficient with less material consumption.

An important source of savings in material resources is the constant revision of consumption norms so that less raw material is used and scraps are reduced, achieving what is called "progression of norms." In other words, less raw material is needed each time to produce the same product.

Given the importance that imports have for our country, especially those from capitalist countries, the replacement of imports constitutes a basic element for savings. The possible replacement of imports must be analyzed, first replacing capitalist ones with products from socialist countries and replacing both with more economical national products.

After the possibilities for savings through the reduction of consumption are exhausted, there is an aspect of great importance for material economy:

The use of production scraps.

Each work center must ask the following questions:

How many scraps are produced?

Can they be reused in the production process itself or other production there where they are produced?

Can they be used at another work center?

What measures can be taken to preserve most of their value?

What can be done to achieve high recovery rates?

What can be done with them once they are recovered if they cannot be used in the work center itself?

We have to explain that there are two sources for the recovery of scraps:

The work centers; and

The people themselves.

All the questions we have asked above are useful for the work centers. The answers, in general, are as follows:

The scraps produced must be controlled in each step of the production process or service.

For example, a factory of the metallurgical industry has steel scraps which make scrap iron which is essential for our production of structures and smelting in general.

In a beauty shop, the hair that is cut is a potentially exportable product.

In each case, the scraps must be controlled and quantified.

Later it must be analyzed whether they can be used in the work center where they are produced.

It should be determined if they can be used in the production process itself. For example, in the case of scraps of plastic raw materials, it is sometimes possible to reuse them in the process itself.

Other scraps can be used in other products like wood cuttings are used for tool handles.

There are scraps that cannot be used in the work center itself but in other work centers.

In a furniture factory, the sawdust cannot be used totally but it can be used somewhere else to clean and disinfect floors.

To preserve most of the value of the scraps, it is important not to mix them. For example, /exported white paper is worth three times more than mixed/. If we are careful /where scraps are produced and recovered, not mixing them with others, we will obtain three times more foreign currency in exports/.

If there is efficient control of the scraps, we will be able to increase the levels of recovery and decrease the rates of /total loss/, achieving that /nothing is thrown away/.

Almost all the scraps that are recovered have a known destination. When there is none, the specialized enterprises of this activity, the Raw Materials Recovery Enterprises, can be contacted. In general, they will have the answer or buy the scraps.

When the people are the consumers and they recover the scraps--like bottles, paper and boxes--they can be turned in to the CDR [Committees for the Defense of the Revolution] or sold to grocery stores.

Also the CEATM [State Committee for Technical and Material Supply] is expanding the collection network of these products by opening stores and mobile purchasing stands. In addition to the traditional products, the following can be sold: scrap iron, glass, used photographic plates and film and many other scraps.

Increasing the work to recover raw materials is one way of increasing savings of material resources, lengthening their useful life.

Another way in which the people and the workers can help achieve these objectives is as follows:

Fuel is a major expense for our economy. Electricity in Cuba is generated mainly with oil.

Savings in fuel and electricity in production activities as well as in homes is an important source of foreign currency in our country.

Therefore, to decrease consumption of oil and electricity is very important for our economy. The workers in their work centers and the people in general are a decisive factor in achieving this objective.

Savings means the consolidation of the national economy and the conquest once more of the intentions of imperialism which tries futilely to impede the rapid development of our revolution.

Let us save in order to economically strengthen our beautiful revolution.

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SANCTI SPIRITUS FIRST SECRETARY INTERVIEWED

Havana GRANMA in Spanish 26 May 83 p 3

[Article by Aldo Isidron del Valle]

[Text] Despite the adverse weather conditions in the first quarter which hurt and delayed the sugar harvest and damaged important crops and productions, the people of Sancti Spiritus have not given up any of the commitments signed in response to the resolution of the Sixth Plenum of the Communist Party of Cuba Central Committee.

This was confirmed by Joaquin Bernal Camero, first secretary of the Provincial Party Committee, in an exclusive interview for GRANMA and Tele-Rebelde in which he praises the deep revolutionary spirit of the men and women of his territory and their standing determination to work and succeed.

Greater exigency, higher work productivity and improved efficiency head this movement, says the party leader.

Bernal Camero, alternate member of the Central Committee, terms as magnificient the work done to "fulfill the resolutions of the sixth plenum." He adds that in recent days the party leadership gave public recognition to the workers, to all party rank-and-file organizations and to the mass organizations, which are materializing "their purposes" unselfishly and enthusiastically "and are showing what we can do to promote our economy."

NIMAZ Commitment

At its plenum a few days ago, adds Bernal Camero, our provincial committee examined and evaluated as good the work done by Sugar Industry Ministry enterprises where the workers have set important and hard objectives, such as attaining considerable savings of every type.

"In the sugar industry," he says, "Its workers planned, for example, to maintain fuel consumption at zero for raw sugar production, and to struggle to cut even more and in many cases eliminate oil consumption in the production of by-products; and tests conducted at the sugar mills show that this goal can be attained."

In response to the sixth plenum, MINAZ this year plans to make a contribution of more than 8 million pesos in freely convertible currency, and its enterprises have reconfirmed the commitment to cut estimated losses by almost 20 million pesos this year.

"To have an idea of how much this economic goal means to this territory," stresses Bernal, "Let us recall that our province had losses of more than 26 million in 1982."

In this regard, he notes that MINAZ and agriculture enterprises intend to cut such losses by 20 million and 5 million, respectively. Other organizations also are moving in that direction and if they succeed, he says, it will be a very important response of our people to the country's economy.

We are certain that this goal will be reached because the work is being done with a sense of seriousness and of great responsibility.

Response of Siguaney Collective

The Sancti Spiritus territory is something more than traditions, beautiful scenery, the Escambray, history, monuments, sugar, livestock, tobacco and tourism. It has Cuba's largest dam (Zaza), the Jatibonico paper mill already in the test phase, the agroindustrial colossus Uruguay [sugar mill], the Rio Zaza dairy products complex, and the provincial teaching-clinical-surgical hospital whose building phase has been completed and is similar to that of Cienfuegos.

The Sancti Spiritus party's first secretary mentions the Siguaney grey cement factory, national vanguard in 1982, noting that according to reports: "It has had very favorable results in this first quarter and is cutting almost 1 kilogram of fuel for each ton of cement produced. Moreover, it obtained the certificate of quality, thereby fulfilling another of its commitments with the sixth plenum."

"Its other commitment, " he explains, "Is to help the economy with 60,000 metric tons of cement over the production plan."

The political leader mentions the Siguaney collective with admiration and confidence. He has no doubt that they will do their job. In the same sense he speaks of Sancti Spiritus construction workers whose commitment with the sixth plenum is to complete the year's production plan by 5 December. To cite an example of the tremendous effort of this victorious labor army, he says they overfulfilled the production plan for the first quarter in spite of the rains.

"It is not just a commitment," says Joaquin, "For we can see that in practice it is being fulfilled."

Local Industries and Other Organizations

In the talk with Bernal Camero, the GRANMA reporter and Tele-Rebelde comrades obtained a wealth of information based on commitments of the Sancti Spiritus people during the year of the 30th Moncada Anniversary. These commitments respond to sixth plenum resolutions, which are examined at various stages, and to the awareness that they fix the objectives proposed by workers in various sectors.

We commented on the rate of work of men and women in the local industries. They tell us that this year they will produce more than 20 million bricks and 2 million tiles--very valuable construction materials--and that production of blocks, roofing tile, handicraft articles and other materials will be increased.

The first secretary states that transportation collectives "have proposed very encouraging results: to save 3.5 percent of fuel, raise passenger transportation by 2.5 percent, save tires and lubricants and improve efficiency."

The innovators, inventors and efficiency experts grouped in ANIR [National Association of Innovators and Efficiency Experts] will contribute more than 15 million pesos to the economy in the form of savings, recovery and manufacture of spare parts. The CDR [Committees for Defense of the Revolution], according to Bernal Camero, "have very serious commitments concerning collection and saving of glass containers and all types of raw material."

The FMC [Federation of Cuban Women] won the winning province flag in the national emulation,and its aim in response to the sixth plenum is to retain that honorable distinction.

"Here in Sancti Spiritus," says our interviewee, "women represent an important force not only from the social viewpoint, but also from the labor one. Their employment here has risen from 27 percent in 1980 to 32 percent last year. And we see in our women and men everywhere a spirit of very serious work. Objectives are being attained. We are quite encouraged."

Rain and People's Effort

The subject of the rains and their damage is reiterated in the interview with Jaoquin Bernal who praises the heroic demonstration of the people "who saved the potato harvest under very difficult conditions. These were losses, but the harvest was saved. Such was not the case with the onion and tomato harvests whose damage exceeded 70 percent, but that was beyond the possible powers of men. These crops are very sensitive and there was too much water. However, the spirit of work and struggle of the people has not been broken."

Rice and Tobacco Men

It is easy to see that a simultaneous battle is being waged in the territory, ranging from the preservation of relics in Trinidad, a national monument, to the repair of mountain roads, recovery of coffee production, reforestation, opening of new industries, camping sites, increased tourism, and others.

In the search for more efficiency this year, the number of workers whose wages are linked to productivity has risen to 58,000 and the peasants are involved in a colossal battle: to increase their tobacco areas to 800 caballerias (Sancti Spiritus tobacco fields are famous for their quality).

How about the rice workers? To this question of the GRANMA reporter, the first secretary's explanation was: "Plantings at the Sur del Jibaro enterprise were delayed by the rain, but rice workers have accustomed us to their overcoming difficulties. They simply propose to complete their production plan amounting to 2 million quintals of rice. They have been raising production, productivity and earnings every year. We are certain that they will succeed."

There is other news concerning the sixth plenum: Education, according to Bernal, is doing well at all school levels; the trade unions will contribute 644,000 pesos and the peasants 89,000 for the Territorial Troops Militia (MTT).

Regarding the MTT, the maximum party leader in Sancti Spiritus recalls:

"They were formed here in a short period of time. All the units were organized and their work in general is satisfactory, although it is necessary that militiamen improve their combat training attendance."

Joaquin Bernal Camero likewise praises public health work in his territory, saying that "the service which men and women of that sector are giving the people is a formidable response to the sixth plenum."

He indicates that it is necessary to put in operation the new hospital, whose brand-new installations can be seen at the entrance to the city (equipment is still lacking). But as long as it is not completed, health service will continue to be guaranteed thanks to the effort of public health workers at all the installations we do have. Furthermore, with the introduction of medical training at rural hospitals, ours is one of the provinces having more hospitals in the country area as they are doing good work.

He announces that the medical school will open next year. "All this," he concludes, "shows us that, as Fidel has proclaimed, our country will become a medical power."

9925
CSO: 3248/777

WIDF PRESIDENT HOLDS PRESS CONFERENCE IN HAVANA

FL312240 Havana Domestic Service in Spanish 1700 GMT 31 May 83

[Text] Freda Brown, president of the WIDF, has granted a press confernece at the main offices of the WIDF Latin American and Caribbean Regional Center. Freda stressed the vital role women are playing in the struggle for national liberation, for their rights, and against the arms race.

After detailing the extensive schedule of activities which the WIDF will be carrying out until the end of the UN-decreed "Decade of the Women" in 1985, she referred to the U.S. deployment of MX [as heard] missiles in Western Europe.

[Begin Brown recording, speaking in English--audible now and then--with consecutive translation into Spanish] Certainly the threat of U.S. deployment of Cruise and Pershing missiles in Europe is a demonstration of the aggressiveness of the United States and its NATO allies. I believe that the response of the European people--particularly of its women--to this aggressiveness is a demonstration of their awareness that this deployment could lead to nuclear war.

The strength of the movement is something we could not have conceived even 2 years ago. As a matter of fact, the most popular of the current books are those dealing with the topic of the effects of a nuclear war. People are now beginning to understand what nuclear war can mean. [End recording]

Elsewhere in her press conference, the WIDF president expressed her views on the ridiculous statements against Cuba recently made by Reagan and Goldwater.

[Begin Brown recording] Yes, those are very ridiculous statements. It would be impossible to imagine that the people of Cuba would return to that era when dozens of prostitutes would parade through its streets and the people had no rights as such. Well, it is just impossible to imagine. I have heard that the people are saying they will defend the country to the last drop of their blood. I do not doubt that in the least. This is why [Reagan and Goldwater] are so furious and so angry. These are the statements of a foolish old man living in a past era. [End recording]

CSO: 3248/861

DETERIORATION OF HAVANA STREETS INCREASES

Havana BOHEMIA in Spanish 29 Apr 83, No 17, pp 38-39

[Article by Susana Tesoro: "Strictly and Calmly Now"]

[Text] When you calmly travel or drive and you hit a pothole (hole in the road), we know what you think. We blushingly imagine what you say and we also guess what you would like to do. We decided to investigate the future of those enormous lakes that have converted parts of some avenues into Venetian canals with only one "romantic" feature: unforeseen accidents.

We toured the city and to be fair, we saw activity around many huge holes. We saw mounds of rocks, asphalt mixture being spread and brigades of men in action on some main streets.

We met with Maximo Andion, deputy and member of the executive committee of the people's government in Havana City, who has been assigned this work. Maximo, a realistic and optimistic comrade, received us with pleasure and demonstrated to us that he is an expert in the technique of road repair and construction.

Maximo gave us an idea that we feel should be used to remind the oldest and to show the youngest: to build and repair streets has always been hard, infernal work due to the heat that the asphalt mixture gives off, the noise of the jackhammers and the strength needed to cut asphalt or concrete. Under capitalism, it was not done as it is now. Wages were miserable, the work had to be done at night and many times they did not even have tools. They dropped an immense rock and then used chisel and hammer to demolish it in the direction the road was going. At that time there were thousands of people who needed to subsist, to work, no matter where or under what conditions.

In 1959 there were many districts in Havana City that did not have roads; now they have streets. Since there are more kilometers of avenues, it is necessary to use more material and human resources for their repair. Also unemployment started to decrease then and the needy began to have the luxury of choosing. Anyone who had other options dropped the hard work of building streets.

That is the first problem: the limited work force for this job. The other is a greater, better known and more difficult obstacle: material resources.

We can begin an analysis with the above elements. The work force decreased, the demand for repairs increased, there was a greater demand for resources and time was deteriorating the networks of water, gas, electricity and communications lines. Each time it is necessary to repair some underground line, the asphalt is opened up. When they open it up, they do not always close it again and when they do, the majority of the time they do it badly.

To all this we can add: negligence, poor work in "fixing the pothole" and making the asphalt mixture and other internal organizational problems.

New Measures

In January 1982 the Cuban state allocated 30 million pesos of its budget for repairing roads in Havana City. That year there were noticeable effects. The first months were used for defense training and in June heavy rains came. In October a plan was made to recover the lost time in a period of 75 days. Since October 1982 more than 1,400 tons of asphalt and concrete mixture are spread daily and hydraulic concrete is being produced with a quality 10 times better.

When 1983 came, it was necessary to rewrite the plan to reconstruct entire avenues. Since it was learned that there were 30 million pesos allocated for road repair, everyone who had a "pothole" in their road thought that it would immediately disappear. However, the situation continues to be difficult.

Havana City has approximately 2,490 lineal kilometers of highway and almost all need to be repaired. Many of them must be reconstructed because they have been affected down to the subbase. Let us see.

Mario Alsina coordinates road work in Havana City. He told us: "One of the most important factors in this task is the asphalt mixture. There is a plan to produce 414,000 tons of mixture and 50,000 of premixed concrete. In order to fulfill the established plan, it is necessary to spread 1,522 tons per day. By 6 March, in spite of the rains, the daily average was 1,437 tons."

[Question] Do you feel that this work has been slowed down by the rain?

[Answer] The rain has an effect since Havana City has a flat topography. When a road is being repaired or reconstructed, rain not only slows down but delays all the work due to the fact that the potholes need asphalt mixture which cannot be spread or produced when it rains. The rain carries very high humidity which makes processing of the mixture impossible.

The production process of the asphalt mixture brings the dry and liquid asphalt components to a high temperature. This can only be done in a dry atmosphere. Also the ground cannot be wet when the mixture is spread.

[Question] Apart from the rain, what other difficulties do you see?

[Answer] We have limitations in our compacting equipment, especially rollers and rammers. The asphalt mixture does not have the required quality so we are still trying to improve the process for the dry components and spreading

the mixture. We also have problems with the work force and some organizational problems.

[Question] Then it is impossible to think that all the streets are going to be repaired simultaneously with this plan?

[Answer] Of course they won't. First, it would be necessary to close almost all the streets at the same time and where would you drive? Naturally, it is done with a plan. These repairs will take years. It is indispensable to repair the main streets and give priority to the roads where buses travel. It is not a matter of pleasing anyone; if the arteries that the buses take are not repaired, in a few years we will not have streets or buses. Nothing deteriorates a vehicle more than the constant blows caused by a "pothole." We know that many are against this and want us to do it by municipality, by district, but it has to be done by main avenues; there is no other way.

[Question] What hope do you give to those who suffer from potholes?

[Answer] A lot of hope because it is the first time that such a plan is being carried out in Havana. In October 1982 MICONS [Ministry of Construction] appointed an engineer for each municipality to supervise this work. They have been given support and resources. We would have to be very inefficient for this work not to go well.

There is interest on the part of the provincial government and party in this work being done well. We believe that it will be achieved in spite of the rain and organizational problems. In many places a change can be seen. Naturally, on avenues like 10 de Octubre and San Miguel del Padron where many segments have to be redone, there will be more delay but, in the end, there will be greater benefits. Of course, we all want to see our daily road, the segment we travel most, completely repaired but here, as in many other cases, everyone cannot be pleased at once.

7717
CSO: 3248/814

NEW IDENTIFICATION CARD STEPS SPEED PROCESSING

Havana BOHEMIA in Spanish 29 Apr 83, No 17, pp 40-41

[Article by Reinaldo Penalver Moral: "Delay in Transactions Reduced"]

[Text] The adoption of a series of technical and organizational measures aimed at reducing the time of the citizens who come daily to carry out different transactions in the units of CIRP [Identity Card and Population Registry] have expedited the important service that these units offer to the citizenry throughout the country in recent months.

This reporter for "In Cuba" interviewed Capt Sergio Gomez Martinez, chief of the section of additions and removals of the CIRP Office of the Ministry of the Interior, on this and other measures. There is feverish work to improve attention and good treatment of the public and make the waiting more comfortable.

In the first place, to avoid the exasperating "wrangle" of the irreparable loss of time, Captain Gomez Martinez explained to us that a receptionist was placed in each unit in the country to offer information to the people as soon as they reach the unit.

The official revealed: "These comrades have the mission of reviewing the documents that must be handed over or shown for the corresponding transaction and if they do not have them, these comrades have the obligation to guide them as to where and how to obtain them."

After reporting on the inconvenience of some units where citizens occasionally have to wait outside the building, exposed to the sun or rain, he revealed that the construction of 25 CIRP units was recently completed, the construction of 14 others was begun and 35 were remodeled. These all meant "larger and more comfortable sites." He emphasized: "We also have continued to improve the furnishings."

"We have reduced the cycle of time between request and delivery of the identity documents to an average of 5 to 10 days, with the exception of the requests due to losses or changes in the Identity Card or the Minor's Card if the document lost or being changed was received in a different municipality. In this case, a provisional identity document is delivered within the next 10 days."

He then indicated that the time the citizens are in the units has been reduced. A maximum term of 30 minutes including waiting has been established. He stated: "We can say that this has not yet been achieved in all locations but we trust that we will achieve it soon."

In another part of the interview, he referred to the special night schedule. He said that preferably on Wednesdays the public is served from morning until 10 pm.

"This measure is being carried out throughout the country with the exception of the municipalities of Maisi, San Antonio del Sur, Imias and Cienaga de Zapata due to their special characteristics."

He also stated that an obligatory norm has been passed that if there are people to be served in the units at lunch time, the unit cannot close but must continue providing service.

Another point discussed during the interview was related to separation of transactions by days; this was incorrectly being done in some municipal units. According to that system citizens who were going to obtain a new identity card because of loss or error had to be taken care of--let us say, for example--on Mondays, those who were going to obtain a Minor's Card would come on Tuesdays and so forth.

Captain Gomez Martinez was explicit about this:

"Every type of transaction can be done every day. This measure avoids losses of time for the citizenry."

He indicated that the Minor's Cards are being delivered "on the spot" to parents who request them 60 to 90 days after the birth of a minor.

Asked about training the personnel who draw up the important documents, he said that there is an advancement school and that seminars and conferences are given to all the personnel who work with the public.

This official also referred to the installation of complaint and suggestion boxes.

He explained that everyone who comes to the units is given a sheet of paper to give his opinion, complaint or suggestion. There "is strict control at the provincial and national level, adopting the appropriate measures in each case."

Concerning the Minor's Card, he said that as a result of joint work between the Ministry of the Interior and the Ministry of Education the delivery of the new identity document for minors was agreed on starting last school year. It contains the educational data on the minor.

Captain Gomez Martinez explained that the new document will note each year the grade average for primary school. Those in intermediate education will have their level noted.

He revealed that last year there was delay in the production process because of late delivery of the data. He added that this same situation is being faced now.

He referred specifically to those parents who have not presented the documents to request the card for those minors in preschool, third, sixth and ninth grades. "They receive the document each of these years in school," he indicated.

He explained that it is not delivered to all minors at the same time. It was decided to do it in these grades because, in 3 years, delivery to all students in primary and intermediate education would be completed.

After expressing the hope that all the requests are completed before 1 May "and we can deliver the new documents before the present school year ends," he exhorted the parents, the education personnel, the school councils and the Federation of Secondary School Students to cooperate so that this task could be carried out successfully.

Lastly he referred to the possibility that many citizens do not have the stamp on their identity cards testifying that they are voluntary donors of their organs and tissues in case of death. He concluded: "If it does not appear on the pages of special notes and they want to be voluntary donors, they can fill out the form at any CIRP unit."

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CSO: 3248/814

BRIEFS

CONSTRUCTION WORKERS IN PDRY--The satisfaction of the PDRY Government for the progress being made by projects under construction by Cuban workers in the suburbs of the city of Aden was expressed last Friday by 'Ali 'Abd al-Razzaq Ba Dhib, deputy chairman of the Presidium of the Supreme People's Council [as heard] of that Arab nation. The Cuban construction brigade is supervised by Ramon Castro Ruz. The workers are adapting the housing to the local conditions of the PDRY, following the lines of the system of prefabricated elements used in the community of La Pena del Leon in Valle de Picadura. Working together with the Cuban brigade are 20 Vietnamese workers who are being trained in this type of housing construction. [Text] [FL211737 Havana Domestic Service in Spanish 1000 GMT 21 May 83]

TANJUG DIRECTOR'S VISIT--Tanjug News Agency Director Alekzandar Bakocevic departed for his country today after a 6-day stay in Cuba at the invitation of the Latin American news agency Prensa Latina. During his visit to Cuba, Bakocevic held talks with Gustavo Robreno, director general of Prensa Latina, which concluded with the signing of a new cooperation agreement between the two agencies. The Tanjug director was also received by Jorge Enrique Mendoza, member of the party Central Committee and director of the GRANMA daily, and other leaders. Bakocevic also visited centers of historic, cultural, and tourist interest in the capital and surrounding areas, the announcement adds. [Text] [FL271947 Havana Domestic Service in Spanish 1809 GMT 27 May 83]

WIDF REGIONAL CENTER'S ANNIVERSARY--The ceremony commemorating the fifth anniversary of the founding of the WIDF regional center was held yesterday at the FAR Universal Hall. Presiding at the ceremony were Jesus Montane and Vilma Espin, alternate members of the party Politburo. In her closing remarks, WIDF President Freda Brown noted the importance of the regional center and the role it plays in the political and ideological development of women in the area. In that sense, she termed Vilma Espin, president of the Federation of Cuban Women, a worthy representative of the Cuban women, and praised our country's efforts as host of the regional center. [Text] [FL311351 Havana Domestic Service in Spanish 1100 GMT 31 May 83]

NEW AFGHAN AMBASSADOR--Comrade Carlos Rafael Rodriguez, vice president of the Council of State, this morning received in solemn audience Mr 'Abdol Samad Azhar who presented his credentials accrediting him as ambassador extraordinary and plenipotentiary of the Democratic Republic of Afghanistan. Comrade Jose Viera

Linares, minister ad interim of foreign relations, attended the ceremony. At the conclusion of the audience, the ambassador and his entourage went to the Plaza de la Revolucion to place a floral wreath at the foot of the Jose Marti monument. [Text] [FL270049 Havana Domestic Television Service in Spanish 0000 GMT 27 May 83]

ESPIN RECEIVES PZPR'S JRZYB--Vilma Espin, alternate member of the Communist Party of Cuba Politburo and president of the Federation of Cuban Women [FMC] today received Sofia Jrzyb, member of the Polish United Workers' Party [PZPR] Politburo, and the delegation accompanying her at the FMC's main offices. The president of the FMC was interested in the result of the tour conducted over the past several days by the delegation headed by Jrzyb, who is also chairwoman of the PZPR women's commission. Sofia Jrzyb expressed satisfaction with the schedule arranged which has covered visits to FMC rank and file organizations and to other organizations where women fulfill vital roles. [Text] [FL310105 Havana Domestic Television Service in Spanish 0000 GMT 31 May 83]

'TANA' MESSAGE TO CASTRO--Guillermo Toriello, president of the Anti-imperialist Tribunal of Our America, [TANA], has described the recent statements of U.S. Senator Barry Goldwater as threatening the sovereignty of our country. The message sent to Commander in Chief Fidel Castro expressed the strongest protest and condemnation of the arrogant, hegomonic, and out-of-date imperialist determination to believe they can still be the masters of this hemisphere. Goldwater, chairman of the Senate's Intelligence Committee, asked for an invasion of Cuba and its annexation as the 51st state of the United States. In his message, Toriello stressed his conviction that the Cuban people, because of their heroism, valor, and fighting spirit, are capable of repelling any attack which the White House clique may attempt. [Text] [FL012105 Havana Domestic Service in Spanish 2006 GMT 1 Jun 83]

CSO: 3248/861

REPORTAGE ON NATIONAL ECONOMIC CONDITIONS

CORDE Meets With President

Santo Domingo LISTIN DIARIO in Spanish 30 Apr 83 p 9-A

[Text] On 29 April 1983 a report was presented to President Salvador Jorge Blanco by the Dominican Corporation of State Enterprises on the acquisition of new equipment for the Barahona salt and gypsum mine, on the needs of the Ambar Oil Factory, on the labor situation involving the Tobacco Corporation and on the tardy handling of foreign exchange credit used for buying wheat in the United States for Dominican Flour Mills.

President Jorge Blanco presided yesterday morning over a meeting of CORDE, during which the status of some of the state firms was discussed. In attendance were directors of CORDE and administrators of some of the firms, as well as other government officials.

President Jorge Blanco received a report on the acquisition, at a cost of about 5 million pesos, of new equipment for extracting and transporting materials from the salt and gypsum mine which CORDE operates in Barahona.

The president was given details on the work being done by the firms which make up the program and on the adoption of measures which will lead to attainment of higher production capacities.

Also present at the meeting were the minister of finance, Dr Jose Rafael Abinader, and the armed forces minister, Lt Gen Ramiro Matos Gonzalez. Jorge Blanco arrived at the CORDE headquarters at 0725 hours.

At the close of the meeting, which was attended by administrators of the firms and CORDE officials, the director of the state consortium, Partenio Orgiz, reported that discussion had been held on the need for allocating to the Ambar Oil Factory a greater amount of imported oil.

He said that the operating capacity now used by that firm is between 40 and 45 percent of the total, because its allocation "is very smal' compared to the installed capacity."

Ortiz noted that the president was informed also about the bargaining agreement signed yesterday by the Tobacco Corporation and that firm's workers

and about the trip to Plan Sierra, where onsite observations were made on the problem affecting the producers of pita hemp in that area.

The official explained that Jorge Blanco also received information on the supply of boots from Dominican Footwear to the armed forces and the national police.

Also it was explained that there is a need for more prompt handling of foreign exchange credit for importing wheat, because "unforeseen situations" arise at the docks in the United States. He mentioned the case of the flood which took place 2 weeks ago, with a resulting delay in shipment.

Ortiz stated that because of these problems which can arise, it is necessary that purchase orders (letters of credit) be drawn up sufficiently in advance to prevent whatever delays may occur owing to "unusual weather."

Another topic at the meeting was the situation at the San Rafael Insurance Company, with its "great increase" in sales and regarding the claims being presented to the company.

Also, President Jorge Blanco was informed about a contract signed by the National Marble Works and a Dominican company linked with foreign investors named "Dominican Marble." CORDE will provide the firm with land which has marble and travertine deposits; the stone will be processed within the country and used totally for export.

Free Zone Activities

Santo Domingo LISTIN DIARIO in Spanish 30 Apr 83 p 12-A

[Text] The three industrial free zones in the nation provide the Central Bank with about $60 million annually, but their growth has slowed because the cost of operation of such zones is lower in neighboring nations than in the Dominican Republic.

This statement was made by the directors of the industrial free zones of La Romana, Santiago and San Pedro de Macoris, who appeared last night at a dinner hosted by the radio show "The Trench," which is produced nightly by journalists Rafael Cesar Hoepelman Ramirez and Julio Cesar Jerez Whisky.

Engineers Carlos Cabral, Nicolas Quintero and Luis Alfonso Mercado Aguayo declared that the installation of new plants in the industrial free zones is being hindered by the high cost of electrical power, which has gone up from 6 to 16 centavos per kilowatt hour for firms which consume a minimum of 400,000 kilowatt hours per year, and by the high salary and rental costs in the areas.

It was emphasized that whereas in the three industrial free zones in the Dominican Republic there are about 18,000 workers, in Haiti there are 60,000 and in Mexico almost 200,000, even though in these nations the free zones

were set up at a later date than in the Dominican Republic, where they were established 14 years ago.

The problem is so serious that instead of an increase in the number of firms operating in the free zones, there has been a loss of 50 firms, overall, at La Romana, San Pedro de Macoris and Santiago.

In their presentations, the directors of the Dominican industrial free zones emphasized that the problem springs from the laws governing the operation of the industrial parks being obsolete in some cases, and that in other cases, such as Law 299, they are not adapted to the needs of the firms.

At the dinner, which was attended also by Julio Cabrera and Victor Acra, it was noted that the devaluation of the currencies of Costa Rica, Jamaica and Mexico constitutes a key incentive for investors in free zones, and that in these nations, like in Honduras, Haiti and Saint Kitts, the firms may freely convert dollars earned and use them to pay for services and local labor.

It was indicated that the average salary in Mexico, where presently a dollar is worth 150 Mexican pesos, has gone down from $1.25 to less than 63 cents, while the wage in the Dominican Republic is set by law at 125 pesos per month, which must be obtained by exchanging the same number of dollars at the Central Bank.

It was explained that the solution is for the government to authorize, through a resolution of the Monetary Board, that firms operating in the free zones should enjoy the same rate of exchange benefits that other sectors have, for example exporters of coffee, tobacco, sugar and nontraditional products. The basic question which must be decided upon is whether it benefits the nation to have an income for the state bank of $60 million or more, to create tens of thousands of new jobs, and whether all or part of the dollars earned by the free zones should produce foreign exchange credit, which in any event would bring about a large growth of the nation's economy.

As long as priorities are not defined--and this should be done as a matter of urgent necessity--then, considering the competition now attracting capital toward other nations, it is an illusion to speak of establishing new industrial free zones in Azua, San Juan de la Maguana or Puerto Plata, because there will be no businesses operating in those locations.

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CSO: 3248/756

ACES PROPOSES MEASURES TO RETURN INDUSTRY TO GROWERS

San Salvador LA PRENSA GRAFICA in Spanish 13 Apr 83 pp 22-23

[Text] Six Practical Measures for Saving Salvadoran Coffee Cultivation

The Association of Salvadoran Coffee Producers, which consists of more than 80,000 coffee growers of all sizes, reminds Salvadorans and especially their rulers that there are measures of an eminently practical nature which, by virtue of their magnificent results obtained in other places and previously here, in El Salvador, must once again be instituted if we really want to save the most important sector of the country's economy.

1. Give the go-ahead for the industrialization of Salvadoran coffee. Processing is an industrial service. The price of that service must be freely agreed upon between the interested parties, the coffee grower and the processor. INCAFE [Coffee Institute], the only monopoly processor since the end of 1979, by decree of the Revolutionary Junta of Ungo, Mayorga, and Majano (with his Economy Minister Manuel Enrique Hinds) tries to get 50 colones for every gold quintal processed and if there are coffee growers who are prepared to pay that high price, let them do so; but we must also develop the establishment of other private processing outfits, regardless of whether they are associated in cooperatives or with other juridical establishments of their convenience, so that they may offer us their possibly cheaper industrial services. As everybody knows, government monopoly turns out to be expensive. Not only for us, the coffee growers, but also for the citizens in general, and they in the final analysis pay for all of the unnecessary bureaucratic waste.

2. Give the go-ahead for the sale of Salvadoran coffee. Government monopoly here is highly harmful to the industrial processing of our crop and that also applies to the commercial aspect. We must again sell our coffee freely, without restrictions, to be able to utilize the most convenient alternatives which involve neither monopoly, nor inefficiency. If it is advisable to contract for the commercial services of specialized enterprises, that is magnificent! If it turns out to be better to sell our crop directly, that is excellent! And if there are still some coffee growers who want to continue to use the industrial and commercial services offered by INCAFE, more power to them! But let no one ever be forced to sell to somebody who does not want to buy, which is what is happening now.

We must not prevent the coffee growers from freely selling our product, just as one must not prevent the manufacturers of towels, shoes, packaging, etc. from selling their products. It is not fair that they force us to deal with a single buyer, be he INCAFE or anybody else. We demand free competition which is desirable from any viewpoint because it tends to reduce the costs that have gone up tremendously over the past 3 years, precisely because the processor-exporters have disappeared as a result of the monopoly established by INCAFE.

3. INCAFE losses must be absorbed by INCAFE. It has been proven that the losses of INCAFE exceed a billion colones. We coffee growers see no reason why we should have to bear somebody else's loss. They must lift that financial and administrative burden from our shoulders which, according to data supplied by INCAFE itself, amounts to more than 20 colones per gold quintal. Mismanagement, speculation, the huge bureaucracy (10,000 employees) and other reasons little known until now have been the cause of INCAFE, using the ridiculous excuse of "protecting ourselves," having lost billions which make all Salvadorans poor, not just the coffee growers. We ask ourselves this: Why must we be forced to put up with those mistakes, why do they offer lower prices, why do they charge astronomic interest rates, and why do they force us to pay unnecessary expenditures for storage, insurance, and lighterage which the INCAFE incurs because it does not sell our coffee at the right time?

4. The losses of the nationalized plantations and estates must be absorbed by the government which promotes and sustains the absurd system of joint management between the government and the cooperatives. We coffee growers see no reason to pay high interest rates to the monopolistic government bank simply because the mismanaged cooperative agricultural transactions cause losses running into the millions which the government then tries to subsidize. This kind of anti-economical attitude is made possible only by the stubbornness of some bureaucrats who insist on continuing indefinitely to finance these inefficient cooperatives. We have reached the limit of our tolerance. If they continue to burden us unfairly with the cost of the mistakes of others, then Salvadoran coffee cultivation cannot survive. We do not want them to subsidize us because we know perfectly well that this would be harmful to the rest of the Salvadorans who are not directly involved in coffee-growing. But neither are we inclined to continue--by force--to put up with the mistakes or wickedness of the socialist demagogues who try to destroy us as a guild, eliminating our complex economic activitiy which will always be of vital importance to El Salvador.

5. Foreign exchange coming from the sale of our coffee must be bought and sold on the open market. It does not seem fair to us that the monopolistic government bank purchases the dollars coming from the molasses, sesame, and other exportable products of lesser economic importance, such as balsam at 3.85 colones; when dollars coming from our coffee, whose economic importance is much greater, pay us only 2.50 colones per dollar which continues to be the official rate of exchange, completely disregarding the sad situation in the country because it does not reflect the unfortunate devaluation of our colon which used to be so strong. Lenin said that the best and fastest way to subvert a nation is to undermine its currency. They are achieving that through inflation which is not completely imported, as some of the pseudo-economists allege but which is

rather "Made in El Salvador." Inflation happens when the government issues more paper money than is necessary without the proper backing in terms of assets and services, only with the fantastic idea of covering unproductive and extravagant expenditures. Inflation in reality is a concealed and unapproved tax which is a burden on all Salvadorans but which above all hits the lower-income group, such as coffee growers. We must stop inflation and we must recover the integrity of our currency, the colon. But this can never be achieved through parallel markets, through monetary boards, through foreign exchange controls, nor through ridiculous and expensive propaganda campaigns of the desperate State Bank whose losses also run into the millions. Our currency's and our economy's strength can be restored as soon as our rulers release the ingenious creativity of the Salvadorans. This is why the Association of Coffee Producers of El Salvador, which represents all coffee growers, recommends the following measure which is eminently practical and reliable to save the nation's coffee cultivation.

6. Lift the export tax which is now collected from Salvadoran coffee growers. This tax raises the price of our product by a considerable quantity which can be as much as 30 percent of the FOB price per exported gold quintal. This burden means that we have little competitive capacity in dealing with producers in other countries where coffee cultivation is not being punished but, on the contrary, is being promoted. The export tax originally was to be temporary, as it says expressly in Article 5 of Legislative Decree No 77, published in DIARIO OFICIAL on 12 November 1943, establishing an exclusive destination for the money collected and stating that "it will cease to be effective when said debts have been completely paid and when the Executive Branch proposes the repeal of that law at the proper time." In spite of all of this, this tax has become permanent and irremovable. Although it is true that the government needs money from the citizens to pay for its regular and special expenses, it does not need the overwhelming amounts which some politicians claim, politicians who want to handle enormous quantities because of the false political and economic power which this might create. We definitely do not want a country where the government, through taxes, confiscates a high percentage of the gross incomes of the citizens. But if we do not correct this immediately, then we will very soon be in that situation. If they allow us coffee growers to stop paying the burdensome export tax, the government will maintain other sources of income, such as the income tax (when coffee cultivation is profitable), the highway tax (which is paid at any rate even though we lose in the agricultural sector), the territorial agricultural and livestock tax, and, of course, all indirect consumer taxes, among which we must include the import tax which in the end hits the consumer or the producer of coffee when importing involves equipment or capital goods. If our rulers listen to these recommendations and especially the last one they will make it possible for billions of colones to be returned to the Salvadoran economy instead of being spent on unproductive bureaucratic salaries. The coffee plantations will be improved, exports will go up, more foreign exchange will come in, there will be more productive work and, in general, there will be more progress than we have now.

Let us save El Salvador by saving our coffee cultivation. Association of Salvadoran Coffee Producers.

5058
CSO: 3248/786

NEWS REPORTERS BLAMED FOR CREATING NEGATIVE IMAGE OF COUNTRY

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 3 May 83 p 3

[Text] There is no doubt that we are partly to blame for the negative image we reflect to the outside, and there is no valid justification for the excesses and atrocities committed as a result of the virtual state of war in which we have been engaged for nearly two decades.

What can we say? That in many other countries of the world they are undergoing as much or worse than we?

The deterioration of respect for human rights began in the 70's when subversive elements chose to go the way of armed struggle and terrorism in order to gain power. This has plunged us into a black well of savagery and barbarism which has furnished excellent material for the enemy to exaggerate the disgraceful occurrences with doses of distorted and lurid imagination. Once the image has been created it is hard to change even though the conditions which have created it have changed--at least for a long time. In other words, the intended information has a much more lasting effect when it is spiced with violence, scandal and an unusual sort of excitement which awakens a morbid interest in the masses.

The most professional journalist can contribute to the continuation of this deplorable image just by presenting the most negative aspects of a news story on a television spot, a two-column story or in a 30-second radiocast.

Behind this projected image there is a different Guatemala which is slowly recovering from the massive bloodletting and which is trying to rectify any omission in the observance of human rights. It is working toward finding ways to improve the living conditions of the inhabitants and to correct the system of social injustice which is still directed at the majority of the population.

That is why we must recognize that we are partly to blame. Of course the major responsibility is on the conscience of the direct perpetrators and the intellectuals who are hidden in anonymity and who stupidly try to find the solution of a problem which requires intelligence rather than insensibility. But we, the national and international press, have injected our pathetic grain of sand, either in good or bad faith, and with the same deplorable results.

Maybe it is the sense of guilt for that bit of responsibility which from our deepest subconscious makes us cry out for liberty of expression and against its curtailment in any way when government authorities have reiterated that they will respect it to the last.

8146
CSO: 3248/766

PROGRAMS OF RECONSTRUCTION COMMITTEE BENEFIT THOUSANDS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 3 May 83 p 1

[Text] According to General Fernando Fuentes Corado, Executive Director of the National Reconstruction Committee, from January to April of this year specific programs of the committee have benefited 12,000 people in the battle zones.

Additionally, he said that this number included more than 11,000 families with an average of five children who are benefiting from the food for work and basic housing programs in the communities which were destroyed by subversive acts in El Quiche, Chimaltenango, Quetzaltenando, Alta and Baja Verapaz and Huehuetenango.

He explained that these programs and the purchase of food and construction materials are financed with the subsidy which had previously been set aside for the capital's bus system.

He indicated that as the economic situation in the rural area is bad the real currency in circulation is material and food. This is what is being called "bean dollar."

Also, he said that the National Reconstruction Committee was putting into action today in the battle zones all the experience that had been gained from the earthquake. This has been very productive since the beneficiaries of the program are made to work for themselves as well as for their neediest communities.

He said finally that the government resources are used in the really beneficial work where the most important ingredient is the participation of the displaced people.

Caption

General Federico Fuentes Corado, the Executive Director of the National Committee for Reconstruction yesterday discussed the activities of the CRN in the past year in the highland battle zone where 1,980 basic housing structures have been built benefitting 19,091 families; 138 varied projects have been completed benefitting 11,675 persons through the food for work program.

8146
CSO: 3248/766

PLAN TO ASSASSINATE HIGH GOVERNMENT OFFICIAL REVEALED

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 3 May 83 pp 1, 8

[Editorial: "Fear of the Press"]

[Text] Col Ricardo Mendez Ruiz, minister of the interior, disclosed this morning that of the three contracted by a political group to assassinate the president of the republic, only the Nicaraguan and the Honduran are still in Guatemala. These two hired assassins plan a "test" assassination of a high level public official.

Questioned by reporters in his office at the national palace, the minister said that there was new information concerning the case now that one of the two Hondurans had been returned to Tegucigalpa where he was severely disciplined.

The question was raised as to who was responsible for contracting them because one of their high officials claimed that it was easier to find people in Guatemala who are willing to do this type of job, and it was not necessary to get them somewhere else. Colonel Mendez Ruiz also said that since the Nicaraguan and the Honduran are still in Guatemala they could strike at any moment. They have said they will make a trial attempt on a high level official.

He was asked if they have requested the Government of Honduras to help in catching those responsible for the macabre plan.

"We have been working hard on this. I hope that we will have the Nicaraguan and the Honduran soon."

The minister was also asked when they would reveal the name of the political group responsible for contracting the assassins.

"In due time," he said. As to what official would be the target of the trial assassination and when it would occur, he said:

"Our security services are working very well and are everywhere. We do not know who the official will be or when it will occur."

What security measures are being taken to avoid it? No specific measures in terms of the officials since they all know how to take care of themselves. The information we have is only that a trial attempt will take place.

"The investigations continue," said Colonel Mendez Ruiz," and the security forces will catch the subjects at any moment."

As to the case of the former head of INTERPOL, Guatemala Section, Angel Ricardo Cruz Gudiel, known as "Gudiel the Cat," the minister said that the higher courts have ruled on the matter and as a result the case has been transferred from the lower court's jurisdiction to the higher courts.

The former chief is accused of robbery, kidnapping and murder, but his case has gone from the lower courts to the higher courts. The minister of interior told reporters that they should ask the minister of defense why the case had been transferred since he did not know the reason.

8146
CSO: 3248/766

BRIEFS

MATHEU DENIES COUP INVOLVEMENT--Julio Matheu Duchez, minister of Economy, finally agreed to talk about the 23 March coup d'etat and to which Danilo Roca, a political leader, has linked him. "Someone has said that you and Roberto Castaneda Felice were connected, from the beginning of the coup, and you appeared on Radio Nacional TGW. Is that true?" "On the day of the coup, Roberto Castaneda Felice and I arrived at TGW looking for Leonel Sisniega Otero, expressly for setting up a meeting between him and the U.S. ambassador to Guatemala, Mr Frederic Chapin, for the purpose that someone who was in the coup might pass along intelligence to him." "The fact that Castaneda Felice and I were at the national radio station at the time that Sisniega Otero was reading press releases about the coup does not mean that we were involved, as one politician has said." "I have been," he added, "in total sympathy with the coup since it began and, if I had not been totally in sympathy and if I had not made the statements and thoughts of President Rios Montt my own concerning a change for the nation, I would not have accepted the position of minister." [Text] [Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 4] 9908

DEMOCRATIC ALLIANCE CENTER LEFT--The Democratic Alliance (AD) that Leopoldo Urrutia Beltran leads set forth its position last Saturday at a meeting which took place at the Embajador Hotel. According to him, its position is that of nationalist center left. Urrutia, when interviewed by a reporter from this paper, said the meeting had as its purpose defining, once and for all, AD's ideological principles in order to project it henceforth towards Guatemalan youth. AD will be in the center left because it considers it the best position that it can adopt at this time when the country is facing crises difficult to resolve. He added, "The position taken directs political groups to struggle so that economic development in Guatemala can be advanced without forgetting social development." "We do not sympathize with extremist theories because neither one nor the other is advisable in these difficult times. The AD, which has no connections with any international political party, seeks its own organization within the country, where it already has an unlimited range of acceptance," he concluded. [Text] [Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 4] 9908

LAWYERS REFUSE JOINING PATROLS--Professionals from Mazatenango, lawyers, physicians, engineers, etc., are worried and upset because they are required to join up with so-called civil self-defense patrols, under the threat of being considered as opposed to the present regime, or worse, as subversives. The Lawyers Association of Suchitepequez, bothered by the problem, has gone to the

Lawyers and Notaries of Guatemala asking them to intervene for the purpose of resolving an ugly situation. Those displeased say that they thought these patrols were made up of volunteers, but it is not like that, because everyone is made to understand that if he does not answer a summons issued to him, not only is he considered to be opposed to the government, but a subversive element in addition to being punished or jailed and is reminded of the case of a known attorney who suffered the consequences. [Text] [Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 6] 9908

FORMER INTERPOL CHIEF ACCUSED--The judicial trial begun against the former chief of Interpol, Angel Ricardo Cruz Gudiel, was moved from the special court to the common court, it was learned yesterday. Cruz Gudiel was recently separated from the position he held in that section of the Department of Technical Investigations (DIT) of the National Police and was ordered to the special court, jointly with former judicial employees, Eberto Guzman and Marco Tulio Fuentes Gudiel. Authorities accuse them of a series of criminal acts, such as abduction, extorsion and assassinations. They are accused, specifically, of the murder of Mario de Jesus Garcia Martinez, an infantry captain and instructor at the National Police Technical School, assassinated in Zone 19 of this city. [Text] [Guatemala City PRENSA LIBRE in Spanish 3 May 83 p 8] 9908

CSO: 3248/763

JAGAN URGES HALT TO IMF NEGOTIATIONS

FL092327 Bridgetown CANA in English 2232 GMT 9 May 83

[Text] Georgetown, Guyana, May 9, CANA--Minority leader Dr Cheddi Jagan has called on workers to force the Guyana Government to scrap plans for further loan negotiation with the International Monetary Fund (IMF), which he charged is threatening the country's political and economic independence.

Dr Jagan's appeal to the workers was made during a rally at Better Hope, six miles east of Georgetown, sponsored by the Guyana Agricultural Workers Union (GQWU) of which he is honorary president.

The state-owned CHRONICLE newspaper, in an unusual centre spread coverage of the opposition People's Political Party (PPP) leader's speech, quoted him as saying that Guyana should have no dealings with the IMF, whose loan conditions the government rejected last month.

He accused the ruling party of putting up a show of opposition to the IMF conditions for the multi-million dollar loan to strengthen the economy, and charged that there was evidence to show the government was retreating day-by-day from its declared policy lines under pressure from the United States.

According to the government, the IMF has set certain conditions for a loan of an undisclosed amount, which include the devaluation of the Guyana dollar by between 60 and 100 percent, a freeze on wages and the return of state-run sectors, including the vital bauxite and rice industries, to private control.

Government described the loan conditions as harsh and said that the fund could not guarantee economic recovery if the measures were adopted. However, the two sides are expected to have further discussions shortly.

Dr Jagan said the IMF had a history of interfering in economic affairs of nations which have balance of payments problems. He said that in spite of IMF aid, however, those countries have not been able to solve their problems.

He suggested that by uniting workers, especially those in the sugar industry, Guyanese could force the government to discontinue the negotiations with the fund.

He termed the IMF proposal for the devaluation of the Guyana dollar "especially harsh" in the light of current levels of inflation, adding that devaluation would create considerable hardship for workers.

CSO: 3298/1267

IRAQI EMBASSY TO CLOSE AS ECONOMIC MEASURE

FL132025 Bridgetown CANA in English 1653 GMT 13 May 83

[Text] Georgetown, Guyana, May 13, CANA--The Iraqi Embassy in Georgetown, opened in late 1979, is expected to close shortly as part of the Baghdad government's economic measures to deal with a worsening financial situation, an official of the mission said here.

The official explained that the government of President Saddam Hussein had been forced to close a number of embassies because of growing financial problems arising from the Gulf war with Iran.

He also said that as part of the measures to cut down on expenses of embassies abroad, the Iraqi Government had also withdrawn all travel allowances to its diplomat ic staff fueing 1983. [as published]

The embassy here has a staff of seven, headed by Ambassador Jihad Karan, the present dean of the diplomatic corps.

The official said also that the closure of the embassy may also mean a cutback on certain agreements which were in train for strengthening economic co-operation between the two countries.

Unofficial sources here said Guyana may also have to close its embassy in Baghdad which it set up late 1980, with financial assistance from the Iranian Government.

When the war started the Guyanese diplomats evacuated the embassy and flew to London where they remained for several months before returning to Iraq.

A Guyana Foreign Ministry spokesman told CANA the government had so far had no word from the Iraqis on the closure.

CSO: 3298/1267

GOVERNMENT TO OVERCOME FOREIGN EXCHANGE SHORTAGES

FL121844 Bridgetown CANA in English 1708 GMT 12 May 83

[Text] Georgetown, Guyana, May 12, CANA--Guyana, which has an acute foreign exchange shortage, is trying to swap its products for a range of items including tractors, drugs, steel, and cement, a government spokesman, Winston Murray, has reported.

One deal had been made with Jamaica, which like Guyana belongs to the Caribbean Community (CARICOM), and the Forbes Burnham government is trying to have similar barter arrangements with Cuba as well as with other countries, said Murray, head of the Department of International Economic Cooperation in the Economic Planning and Finance Ministry.

Guyana's foreign exchange problems worsened last year after shortfalls in revenue from its major exports--rice, sugar and bauxite. The problems forced the government to cut back on a range of imports and make efforts to have foreign debt repayments re-scheduled.

Mr Murray said the government would be using its rice, timber and bauxite in barter arrangements aimed at landing items including fertilizers and spare parts for industries.

"At the moment, Guyana and Jamaica...have entered into a barter arrangement in which Guyana's rice is being exchange for soyabean from Jamaica," Mr Murray said.

Guyana had indicated its interest in counter trade to Cuba's Foreign Trade Ministry and was now awaiting a response, Mr Murray reported.

"Attempts are also being made to exchange local timber for machinery needed for timber operations," he said, without naming the countries involved.

Mr Murray announced the setting up of a six-member committee headed by Guyana's Vice President (administration) Desmond Hoyte, which will "develop, coordinate and oversee counter trade arrangements between Guyana and overseas agencies." Such a body, he said, was necessary for ensuring that counter trade was controlled and did not take away from traditional or potential hard currency markets.

The committee will also consider the feasibility of individual counter trade proposals channelled to the Ministry of Economic Planning and finance, which is the agency responsible for handling these arrangements.

"Counter trade is a fall-back position which was being resorted to with greater frequency by many countries because of foreign exchange problems and difficulties in marketing traditional export commodities, both offshoots of the current global economic recession," Mr Murray said.

Guyana had in previous times been engaged in counter trade on an informal basis "in peripheral areas," he added.

CSO: 3298/1267

BRIEFS

TRUCKS FROM BRAZIL--Georgetown, Guyana, May 6, CANA--Fisheries Limited, (GLF) one of the state-run enterprises here, says it will be better equipped to distribute its products to the rural areas with the arrival of two refrigerated trucks from neighbouring Brazil. Guyana has benefits from a two million dollar (one GUY dollar; 33 cents U.S.) line of credit with its neighbour under which it has received 50 new buses to strengthen the state-run Guyana Transport Service Limited (GTSL). Executive chairman of the GFL Mr Robert Williams, said the trucks are due to arrive this month and will begin operations from June 1. [Excerpt] [FL062122 Bridgetown CANA in English 1909 GMT 6 May 83 FL]

CSO: 3298/1267

CARL STONE EVALUATES SEAGA'S 'BALANCE SHEET' REPORT

Kingston THE DAILY GLEANER in English 11 May 83 p 6

[Article by Carl Stone]

[Text]

Prime Minister Seaga's balance sheet of achievement and failures is both an attempt to answer critics of his regime as well as a challenge to the PNP to tell the country how and where it can do better and to compare its achievement record in the 1970's with that of the present JLP regime.

For the first time it seems that the government has at last seen the need to re-open the political debate which was closed off after the election victory when the JLP absorbed itself into economic and administrative problem-solving while leaving its political defences wide open to attack.

To assess the balance sheet one has to begin with a diagnosis of the root cause of our problem.

Foreign exchange earnings and the demand for it is the very lifeblood of small open economies like ours. Quite apart from the other contributing factors, Jamaica was more heavily damaged by the economic crisis of the 1970's than any other Caribbean country because we have a relatively large domestic sector producing exclusively for the local market (which demands large inflows of imported goods to keep it going) while our per capita foreign exchange earnings are barely above that of the Eastern Caribbean LDC's and about one-third of countries like Barbados.

Patient improving but..

Due to that fundamental problem we have had to borrow massively. The sickness that afflicts our economy has to be with the acute shortage of foreign exchange. The political and ideological squabble of the 1970's were secondary problems. We cannot therefore talk about signs of recovery while our economy has to survive through the medicine of massive external borrowing.

When we really begin to recover we will, of course, begin to need less of the life supporting medicine. We have not yet reached that state, which suggests to me that the very use of the word recovery is grossly misleading.

What the P.M.'s balance sheet shows is that under his treatment the patient is improving but to claim more than that is to distort the reality.

A government that continues to rely on massive doses of the life supporting medicine of foreign borrowing has no justifiable basis to complain about being saddled with a debt burden by the last PNP regime. The present JLP regime will itself leave a big debt burden due to the high levels of borrowing since October 1980. The real issue is whether the borrowing is being put to productive use.

More consistent

The JLP has been more consistent and systematic than the PNP in developing policies designed to stimulate increased foreign exchange earnings. The JLP has clearly been more prudent in budget management and administrative housekeeping. Tourism has benefitted from our new image in the U.S. as a country friendly to the U.S.

The private sector operates with a greater feeling of trust towards the new political directorate compared to the situation under the last PNP regime. Sectors that were consistenty sliding are now showing positive growth.

The patient is clearly improving but the fundamental cause of the illness cannot be removed in two or five years. At least ten years of basic economic restructuring is required.

The JLP's time frame for economic recovery (even if bauxite earnings had not fallen so drastically) was absurdly optimistic and represented a serious under-estimation of the structural problems of the Jamaican economy. The quick fix that was offered of economic recovery in the JLP's first term is part of Seaga's credibility problems. The problems were far deeper and more complex than he anticipated.

My personal feeling is that the JLP has a good case to ask for more time to sort out the problems but there are many who are getting impatient. Especially since the JLP has de-emphasised social programmes.

The P.M.'s apparent anger and displeasure at the impatience of many strikes me as reflecting a lack of grasp of the political wicket he is batting on.

Seaga sailed into power under the flagship of the mismanagement accusation against the PNP and behind the political gunboats that blew up the PNP's credibility on the grounds that the PNP socialist antagonisms to the private sector, U.S.A. and foreign capital lay at the root of our economic sickness.

Under JLP's admittedly more scrupulous administrative management the economic sickness has not disappeared. In spite of the removal of the climate of confidence problem with the government and the private sector, private sector difficulties have not substantially declined.

The Caricom trade impasse stifled many manufacturers. The domestic market is depressed. The

quota system has made it difficult for the private sector to use off-shore dollars. Many enterprises do not have the capability to enter export markets. Interest rates are high. Many energetic persons with ideas for production can't get any capital. Inflation rates have fallen but for the majority of persons the incomes they earn can barely cover basic necessities. Unemployment is increasing not declining. Foreign exchange is scarce. 1983 is going to be a bad year for production.

Money to sufferers

The Manley government engaged in excessive public spending to ease the strain from a depressed country and to put cash in the hands of sufferers. It aggravated inflation. Seaga's tight-fisted budget management may please the IMF, the World Bank and international finance capital, but given the depressed nature of the local economy and the high levels of unemployment, if Seaga does not begin to put some money into the hands of sufferers he will certainly not get the two terms he needs to sort out the policy problems of the economy. Instead of being angry with the people he should demand a little more freedom to promote job creation in rural areas. Even Conservative President Reagan is developing a public sector jobs programme to reduce his political unpopularity among the poor as the 1984 election draws near.

The JLP has not performed all that badly in terms of policy effort, although they have made some serious blunders, such as permitting excessive imports and the unworkable quota system that is paralysing the private sector.

JLP asleep

Where Seaga needs to draw up a balance sheet is in respect of his party. The JLP as a party has gone to sleep. No political mobilisation has been taking place. The presence of JLP activists carrying a line defending government policy is not being felt out there in the communities across the island. The JLP has dropped its guard politically to a degree that will become fatal (if it continues) for the government's political survival. The balance sheet there is virtually all negative.

The JLP has itself to blame for the failure of so many people to understand why the patient is still ill and why the problems have not evaporated in spite of signs of improvement and government policy efforts. More importantly Seaga and the JLP need to listen more to criticisms and policy feed back. The government has become isolated.

No government in Jamaica should expect to be re-elected purely on the basis of economic growth performance in the middle of the continuing economic crisis and in the context of a world recession that is only slowly disappearing. Political survival requires a strong and active party. The JLP is lucky that the PNP has also been asleep.

Economic performance

The major issue today is not ideology but economic performance. Manley's silence and the errors and failings of the JLP (especially in the political sphere) have served to push memories of

the dismal seventies into the recesses of forgetfulness.

For Manley and the PNP to win the next election they will have to do more than echo the grumblings of the people. The PNP will have to sound credible in terms of offering the country a carefully thought-out set of policies that can deal with our root problems. It could be fatal for the PNP and Manley if they fall into the trap set by Seaga and attempt to justify the policy and political errors of the 1970's without telling us what is their alternative to the JLP's policy efforts.

Seaga has thrown a challenge to the PNP leader. To meet it Manley will need to convince voters that his party offers a real alternative to the JLP which can improve on that balance sheet.

Ideological posturing will not do.

CSO: 3298/602

MULLINGS OPENS PNP BLAST AT BUDGET IN PARLIAMENT

Kingston THE DAILY GLEANER in English 11 May 83 pp 1, 15

[Text] OPPOSITION SPOKESMAN on Finance, Mr. Seymour Mullings, yesterday charged the Government with underspending on the Capital Budget to the tune of $330 million, which he said meant that the available resources were not matching up to the expenditures which Parliament approves, and that the Capital side of the Budget "becomes the victim of serious pruning and cutting".

This, he said, has resulted in schools not being built at the pace promised, roads were not being built, water supplies not provided as expected, thousands of unemployed who looked to the Budget to provide some work, and whose hopes were built up by "all these major pronouncements by the Prime Minister at Budget time", looked in vain throughout the year, "developing a feeling of hopelessness, dismay and helplessness".

Mr. Mullings was opening the Opposition response in the 1983/84 Budget Debate in the House of Representatives.

He said that the policy of the Government in respect of de-regulation had resulted in disaster for the farmers, confusion in the farming communities, confusion in the manufacturing sector, among exporters, small businesses and businessmen and among higglers.

The import policy of the Government, he said, had extended itself into an area of the importation of foreign perssonnel, and the institution of another element of "the dependency syndrome", which if accepted meant a death-blow to the concept of self-reliance.

"This Government has succeeded in creating an environment in which, as in colonial days we look outside for those who will save the nation, ignoring the skills and expertise so abundant amongst our own people, a formalisation of parallel management," he said.

By a "stroke of genius", the inrroduction of the parallel market had threatened to eliminate the most viable area of export, which was CARICOM.

FOCUSSING ON THE BALANCE of trade and import policy, Mr. Mullings said that the inability of the country to earn as much foreign exchange as it spent

annually was a chronic problem which had faced every Government of independence Jamaica. It was the same shortage of foreign ezchange which had caused the present Administration to enter into an agreement with the I.M.F. in 1981 and it was mainly because of this foreign exchange shortage that the Government had "breached a target".

The Government, he said, had fooled itself and the people by pretending that there was an abundance of foreign exchange available. The country in 1979 imported US$1,003 milion worth of goods and exported goods worth US$815 million, recording a deficit of $188 million. In 1980, the last year of the PNP Government, imports were US$1,173.8 million and goods exported were US$959.3 million, with a deficit of $212.7 million. In other words, he added, in 1980 imports increased by 17.1 per cent, exports 17.7 per cent and the trade deficit was 13.1 per cent.

"That is how we left things in 1980. In 1979, our exports could pay for 81.2 per cent of our imports while in 1980 they accounted for 81.7 per cent of imports. In other words, for every dollar we imported we earned 81 cents; not perfect, but not bad," he said..

"Now look what happened under the 'Government of management'. In 1981, under the new import policy, imports jumped from US$1,173.8 million to US$1,467.2 million, a jump of 25 per cent. You could say that this is not bad if we were earning more exports. But that was not the case. Exports had virtually stood still, moving from US$959.3 million to US$970.4 million, an increase of only 1.2 per cent over 1980.

" So while exports increased by 1.2 per cent. imports under the 'No Funds' policy were allowed to increase by 25 per cent".

At the same time, Mr. Mullings said, the trade deficit had increased from US$212.7 million in 1980 to nearly US$500 million in 1981. This meant that the deficit left at US212.7 milion in 1980 had jumped by 133.6 per cent in one year.

LOOKING AT THE TAXATION measures announced by the Government, Mr. Mullings said that the tax relating to the second sale of motor cars as proposed was unfair to those who, because of limited income, were forced to purchase older cars which had probably changed hands several times.

He said that the Education Tax was one which the Opposition did not oppose in principle, but there were several objections to the present proposals for this tax.

"The Opposition believes that it was wrong for the Prime Minister in both his nationwide braodcast on the public-sector wages dispute and his Budget presentation to directly link the tax to the salary regrading for trained non-degreed teachers, Mr. Mullings said.

"It sets up the teaching profession, in general, and this group of teachers in particular, to ridicule from the society at large.

"In the second place. the direct link between the tax and the salaries of a particular group of teachers could lead to the inevitable question: Why not a Health Tax to pay nurses and Government doctors?"

He said that the Opposition felt that the tax should not be linked to the payment of salaries to any group of teachers. Salaries of all public-sector employees were the specific and direct responsibility of the Government and must be an integral part of the Estimates of Expenditure, not an addendum.

The Opposition, he said, believed that the tax should be reserved for Capital development projects only, for the problems of Education were not only related to the payment of salaries.

"We feel that the receipts from this tax should be placed in a special fund along the lines of the National Housing Trust and administered by a Board of Management comprising of members representing the Government and the teaching profession. This fund could be used in a variety of ways. It could be used in assist in building, in providing matching funds for capital improvements or in constructing housing for teachers".

Mr. Mullings said that one of the many promises on which the Government was voted into office by the people of Jamaica was the repeated promise of "change without chaos". He said that as the Opposition reviewed the situation now obtaining in the nation at mid-term, three words adequately and appropriately summmed up the achievements of the Government since it came to office : "chaos and confusion".

He said that the road to power might be made easier with promises which stand no chance of being delivered,"if one is dishonest to make such promises".

"It was easy for the J.L.P. when in opposition and hungry for power to blame every stringency, every shortage, every pressure, every national headache as the fault of the .P.N.P Government, especially since as a government we preached, and continue to preach, a programme of self-reliance, national sovereignty and national integrity.

" Power, however, achieved by this route is short-lived if when that Opposition becomes Government it fails dismally to deliver upon its promises. That is a phenomenon which our country is witnessing today," Mr. Mullings declared.

Mr. Mullings said that the patience of the people was worn out. "The honeymoon is over. The false hopes created by the Government have been exposed," he said.

CSO: 3298/602

EXPORTERS TO INVESTIGATE NON-CARICOM MARKET POTENTIAL

Kingston THE DAILY GLEANER in English 10 May 83 p 5

[Text]

Jamaica is to investigate the development of trade with non-Caricom countries of both the French and Netherlands groups, the President of the Jamaica Exporters Association (JEA), Mr. Geoffrey Messado, told the annual awards banquet of the Association at the Jamaica Pegasus Hotel, New Kingston, on Saturday, April 16.

Mr. Messado said that the association feels that it has organised itself, and is succeeding in the CARICOM market. He said that in 1983, the association will be directing its efforts towards the development of third country markets.

"We are at present working closely with the Jamaica National Export Corporation (JNEC) to determine which markets offer the best prospects, and will follow this evaluation up with trade missions," Mr. Messado said.

"This will include investigation of the non-CARICOM islands of both the French and the Netherlands groups, and we are looking further afield."

Speaking of the CARICOM market itself, Mr. Messado said that exports to that market in 1982 increased by 24 per cent to U. S.$82-million, exports to Trinidad and Tobago by 44 per cent to U. S.$57-million and exports to Barbados stood at U. S.$12-million.

He said that up to March this year, exports to CARICOM have remained at roughly the same levels as last year, with exports to Trinidad increasing by 17 per cent while exports to Barbados decreased by 29 per cent.

He said in retaliation for the formalization of the parallel market, Trinidad and Tobago had decided that no more goods from CARICOM could enter that country on open general licences after April 15. He said that it should be noted that bills of lading need to have been dated prior to March 25. Goods in shipment that do not comply with the new regulations will be impounded or returned.

"As far as I can ascertain, no specific licenses for imports from CARICOM on their Negative List have been issued because they still have not determined a policy for granting these licences. We have, in effect, a

suspension of exports to Trinidad, and it should be recalled that this accounts for 70 per cent of our CARICOM exports," Mr. Messado said.

Speaking on the assistance the JEA requires to successfully enter the highly competitive third markets, Mr. Messado said that the association proposed the establishment of an Export Assistance Fund in addition to the Export Development Fund. The assistance fund he said, together with the creation of a Working Capital Loan Fund could provide capital at low interest rates on a revolving basis to exports.

He said that in addition the association has proposed rebates of up to 20 per cent on the cost of electricity and water to qualifying exporters. He said that the Export Assistance Fund would also be used to subsidize freight costs in order that Jamaican exporters can be CIF competitive.

He said that it could also finance a portion of the expenses incurred in sales missions, overseas tendering, trade fairs, seminars, promotion of new products and other export-related expenditures.

"We advocate that Government should encourage the formation of export marketing companies to complement export trading houses," Mr. Messado said.

These companies would provide expertise and services in target markets in product research, market evaluation, market studies and investigation, advertising promotion, and the selecting of marketing support personnel or institutions," he said.

Speaking on the structural adjustment of the Jamaican economy, Mr. Messado said that the JEA supported the move, but had serious reservations about the immediate implementation.

He said that the Association recommended that until the decline in the economies of the countries with which Jamaica intended to develop export trade is reversed, or at least halted, the adjustment programme should be delayed temporarily or the speed with which it is implemented should be severely retarded.

Mr. Messado said that non-traditional exports grew from US$159-million in 1981 to US$182-million in 1982, an increase of over 14 per cent. Of that amount in 1982, US$82-million, or 45 per cent went to CARICOM, and US$100-million or 55 per cent to third countries.

He said that the export sector had managed these improvements despite the fact that it has been by far the smallest recipient of official assistance.

CSO: 3298/602

COUNTRY CALLS FOR CONVENTIONAL WEAPONS FREEZE

FL162320 Bridgetown CANA in English 2232 GMT 16 May 83

[Text] Kingston, Jamaica, June 16, CANA--Jamaica today called on Latin American and Caribbean nations to affect an immediate freeze on conventional weapons as part of a general movement towards complete disarmament in the area.

The call was made by the island's junior foreign minister, Neville Gallimore, at the opening of the eighth general conference of the Agency for the Prohibition of Nuclear Weapons in Latin America (OPANAL), whose 1967 Treaty of Tlatelolco makes Latin America and the Caribbean area the only densely populated nuclear free-zone in the world. Some 22 of a possible 31 states in Latin America and the Caribbean are full members of OPANAL.

Gallimore told the three-day meeting that the more effectively the area could strengthen inter-regional cooperation, reduce tensions among itself and eliminate competition, the better "we will be able to keep the region free from external interference and prevent it from becoming a zone of rivalry of outside powers."

Said he: "The accelerated introduction of conventional weapons is an unaffordable luxury. As a region we have blazed the trail with regards to the prohibition of nuclear weapons, although much remains for its full acceptance.

"It is perhaps time we do likewise in the area of conventional weapons, this would not only improve our regional security but contribute to the gradual movement towards general and complete disarmament. I therefore challenge the member states to introduce an immediate freeze."

Gallimore also called for a change in the Treaty of Tlatelolco that bars Belize and Guyana which, like the charter of the Organisation of American States (OAS), bars English-speaking Guyana and Belize from becoming signatories because of their border disputes with Venezuela and Guatemala respectively.

"This provision is anachronistic. It has nothing to do with the fundamental objectives of the treaty," Gallimore declared. "The time has come to act to remove it."

Meantime, OPANAL would like recently independent countries in the Commonwealth Caribbean to become part to the treaty. The report of the OPANAL secretary general noted that after its 1981 general conference Dominica and St Lucia were invited to take necessary steps to become party to the treaty, but so far these countries have not responded to the initiative.

Attempts have also been made to pull St Vincent and the Grenadines into the treaty, and Antigua and Barbuda will be invited to join after this conference.

An OPANAL source said that some newly-independent states were invited to this conference, but did not turn up.

This is the first OPANAL conference being held in an English-speaking member [country], and OPANAL spokesman said that the idea of holding the conference here was to have English-speaking countries in the hemisphere identify with the Treaty of Tlatelolco.

Of 31 possible members of OPANAL 22 are fully covered on the convention, for though Argentina, Brazil and Chile have signed they have not fulfilled all the obligations to be fully covered by it.

Apart from the newly independent nations and the special case of Belize and Guyana, only Cuba is not a signatory.

Cuba has not signed because it feels itself under threat from the United States, which maintains an economic blockade against the country and which maintains a military base against Havana's wishes, at Guantanamo Bay, in the east of the country.

OPANAL believes, however, that the United States recent ratification of protocol one of the treaty, which precludes it from placing nuclear weapons in any area in the region under its control, is a good opportunity to continue negotiations with Havana.

CSO: 3298/1268

DROUGHT WORST IN 55 YEARS; FOREIGN ASSISTANCE SOUGHT

Kingston THE DAILY GLEANER in English 10 May 83 p 2

[Excerpt]

In the midst of the worst water crisis in the Corporate Area for the past 55 years, the government has sought assistance from three countries, Italy, Israel and Saudi Arabia.

Disclosing this at the annual sales awards convention of National Industries and National Trading Company held at Oceana Hotel, downtown Kingston Saturday night, Public Utilities Minister Bearnel Charles said the water crisis in the Corporate Area had taken a new twist for the "extremely critical."

In another two weeks the Italian team which arrived in the island some three weeks ago will submit to the government its findings based on the studies carried out on the Ferry River in St. Catherine, the Minister disclosed. The Israeli team too which also did recent studies on the water situation will soon submit its report, Mr. Charles added.

The Saudi Arabian team which arrived recently will be handed a national water policy prepared by the government, and the implemantation of which is expected to cost some $40 million, he said.

Chiding the public for what he termed their lack of understanding and support in the worst drought for 55 years, the Minister detailed what he said were the "very critical" developments in the water situation. The sea is coming in on all the wells in St. Catherine, increasing the salinity in the water "and we don't know how to deal with the situation" he warned.

Of the 30m - 36m gallons of water supplied to the Corporate area each day, only around 9m gallons are supplied from rivers, the other coming from wells, according to Mr. Charles. While noting that the daily supply was down from a normal supply of 50m the fact that so much was coming from wells posed additional problems. With the sea "coming in on us in the St. Catherine area we are reaching a very critical point" Mr. Charles warned.

While "very few people know where the water comes from" all swimming pools were full when he inspected the Corporate Area from the air, he said. But the problem is not a P.N.P./J.L.P. problem. "It is a national problem approaching national crisis... And it's not going to be a healthy situation when you cannot get water."

"The time has come for us to get down on our knees and fast and pray for rain," he continued, reminding the audience that if nothing "extraordinary" happens between now and October there will be no significant rainfall. "We are seeking the co-operation of the public."

Despite all these problems the National Water Commission has so far been able to supply 80 per cent of the Corporate Area with a 24 hour water supply and the other 20 per cent with around three hours daily, the Minister noted. This he said, represented to him "one of the greatest achievements of my Ministry... The fact that we have been able to give some water," especially with the recent closure of the Mona Reservoire and the Hermitage Dam, the first in the history of their operation.

In reiterating his call for the public's understanding Mr. Charles told the audience that the government was doing its ever best to deal with the situation. Apart from the assistance being sought from the various countries, already measures were in place to deal with the situation. The $9 million Wagwater project and the Blue Mountain Scheme which will begin next month with the Yallahs River are, according to the Minister two examples. Stainless steel tanks will be brought in from U.S.A. if necessary he added.

The Minister stated that he was resolutely and categorically against seeding of the clouds as a solution to the water problem. He noted that there was no known scientific method of controlling the rain caused by cloud seeding and there was no way of controlling where the water chooses to fall. This he added was too dangerous and did not merit the risks involved.

In turning to the situation at the Jamaica Pulic services Company, Mr. Charles noted that the electricity supply has been stabilized and that in the absence of anything extraordinary, any power cut will not exceed forty minutes, the maximum time it takes to activate a standby unit. Generating capacity now exceeds peak demand he noted and this situation is saving the country millions of manhours.

CSO: 3298/602

EMPLOYERS FEDERATION CHIEF HITS GOVERNMENT INDUSTRIAL RELATIONS

Kingston THE DAILY GLEANER in English 11 May 83 pp 1, 15

[Text]

The Government's industrial relations policy and the country's labour relations scene were criticised yesterday by outgoing President of the Jamaica Employers' Federation and Honorary Chairman of the Gleaner Co. Ltd., the Hon. Leslie Ashenheim.

Mr. Ashenheim said there was a "lack of realism" in the approach to the industrial relations scene and described as "incredible" some of Government's policies including the recently-granted tax concessions for over time work."It is my considered view that neither the labour legislation nor the enforcement thereof in any way measures up to the clear requirements of the country," Mr. Ashenheim said.

He made his remarks while addressing a luncheon of the Jamaica Employers Federation (JEF) at the Jamaica Pegasus Hotel, New Kingston, following the annual general meeting of the Federation yesterday. Mr. Emile George succeeds Mr. Ashenheim as President of the JEF..

The former JEF President said that Government cannot be surprised that, "their hoped-for rush of foreign investment has turned out to be no more than a measly trickle." This was so, he suggested, because of the unstable labour situation in the country. He asked, "Why should we expect the foreigner to make large capital investments in Jamaica when his operations may at any time — and often without warning and on the flimsiest excuses — be shut down by strikes or sick-outs or slow-downs or their managers be threatened with violence or locked up in their office and have to seek police protection ?"

He said it must be obvious that for investors, both foreign and local , to be attracted to invest in Jamaica thereby "increasing the economy and reducing the huge burden of unemployment" there must be a stable labour situation in the country.

MAKING A CONNECTION between the state of industrial relations, high wage and fringe benefits demands, slow investment and high unemployment in the country, Mr. Ashenheim called for "negotiation and arbitration... to take the place of strikes, sick-outs, slow

downs and violence" and for wage increased "for a time to be denied".

He said that latest available unemployment figures (for October last year) was 292,300 or 27.9 per cent of the labour force. He described this as "appalling" and said that he had little doubt that the present figure is a good deal higher.

Mr. Asehenheim said it was clear that "only so many workers can be afforded" if wages kept rising as unionised workers kept demanding higher pay, and if the cost of the product is not to rise above competeive level on the foreign market or above prices which local consumers can pay.

He went on, "The greed of the unionised workers and their uncontrollable use of muscle and disorganization is in fact depriving their non-unionised fellow workers of jobs. So there is no getting away from the conclusion that every increase in wages reduces the number of workers who can be employed and increases the number of persons who are condemned to the degradation and hopelessness of unemployment".

He said that this was so elementary and convincing that he could not understand why Government "seems indifferent to it" and remains unwilling to bring it home to unions and workers through existing or new legislation. He said that it may be said that the fear of losing votes at the next election stands in the way of government taking action but, he said: "I would like to argue that this is an idle feat. The total number of unionised workers in the country is apparently a dark secret for I was unable to obtain any figure for any of the last five years but I should be surprised if the figure was much in excess of the number of unemployed and surely an unemployed man has the same one vote as a unionised worker and some of the unionised workers are intelligent enough to understand the necessity at this time to endure a modest reduction in their standard of living in the cause of achieving an economy large enough and active enough to absorb gradually the thousands of unemployed and allow for reasonable increases in the future."

HE ALSO SAID that the handling of negotiations by the Ministry of Labour has been going down hill and that "many of the ethics of industrial relations have been abandoned and we hear no more of the former firm refusal to conduct negotiations while a strike is in progress."

Describing some of government's policies as "incredible" he asked "How does it make sense in a scene of vast unemployment, to be granting tax concessions to the overtime workers? The more overtime the less workers and the less work done in regular hours? How does it make sense in a scene of tremendous overpopulation and reckless and irresponsible breeding of children to have legislation enforcing maternity leave on employers? This is a direct encouragement— even a money inducement — for more irresponsible children, not less. How does it make sense in a scene of acute shortage of housing to enact a rent restriction act which is bound to reduce the volume of rental accomodation."

Mr. Ashenheim, expressed thanks to individuals both local and foreign who helped in the " reconstitution" and growth of the JEF. He welcomed the new President Mr. Emile George, Vice Presidents and members of the Council, "to the work" and asked members of the JEF to support the federation.

First Vice President is Mr. Victor Harris and Second Vice President is Mr. Leroy Brown.

CSO: 3298/602

BRIEFS

'PEACE ZONE' FAVORED--Bridgetown, Barbados, 14 May, CANA--The Jamaica Peace Committee has asked the Caribbean Community (CARICOM) Secretariat to include the creation of the Caribbean as a zone of peace on the agenda for the CARICOM foreign ministers and heads of government conferences in Trinidad in July. The committee said it had sent regional heads of government a letter from its president which calls for the removal of all foreign military bases from the region. The committee, which has circulated the letter to all CARICOM foreign ministers, also called for a cessation of all military manoeuvres and aggressive acts, including overt and covert, military and non-military operations to undermine countries in the region, and economic blockades. The committee said recent developments in Central America, "in particular, the increasingly interventionist policy of the Reagan administration in El Salvador and Nicaragua," required the most decisive and concerted efforts to defend the inalienable rights of Caribbean people to chose their own path of development without external threats. [Text] [FL141634 Bridgetown CANA in English 1614 GMT 14 May 83]

CSO: 3298/1268

ROBELO INTERVIEWED ON NATION, ARDE, PASTORA

Buenos Aires SOMOS in Spanish 13 May 83 pp 20-22

[Interview with ARDE cofounder Alfonso Robelo: "Marxism Brainwashed the Press", in Washington; date not given]

[Text] He is one of the founders of ARDE. He fought against Somoza and now fights against Sandinism, allied with Pastora "Commander Zero." He admits that there is CIA financing. He speaks of his disillusion with the Marxists and of today's Nicaragua.

He reads and rereads the "Proclamation to the People of Nicaragua." He is ashamed to read it to the end because his eyes fill with tears. Then he seeks any pretext to get up: either going to the bathroom, or making a call that could have waited, or polishing his shoes with his eyes glued to the floor. But there are three sentences from his friend Eden Pastora that will continue to bring Alfonso Robelo to tears. "Brother, tell the world that we are already engaged in the struggle." "I am here, serene in the mountains of Nicaragua knowing that you will know how to handle such a political responsibility with the capacity that the people demand of us." "A free fatherland or death, without totalitarianism or a return to the past." That is the message that Alfonso Robelo has now brought to Washington after having taken it to all of Latin America. In 4 days, he has seen more than 30 congressmen and senators; has met with the directors of the main newspapers in the country; and has spoken before congress about the situation of Marxist-Leninist intervention that Nicaragua is undergoing today. "Nevertheless, the American congress does not have any idea of what is going on in Central America," he says bitterly. "All they are concerned about is opposing Ronald Reagan, failing to recognize the situation, forgetting those who are seeking a different Nicaragua from the mountains."

Alfonso Robelo has experience in getting messages across. At 43 years of age, he emerges as perhaps the political opponent who is most articulate, best informed and with the greatest power to summon the Nicaraguan antigovernment specter. He gained all of that experience within Nicaragua: first as the president of the Private Enterprise Superior Council, then in March 1978 as founder of the National Democratic Movement (MDN), the mission of which was to group together all of the opposition to Somoza, and later as a member of the Nicaraguan junta (in the economic and financial area) together with Violeta

Chamorro, Moises Hasan, Sergio Ramirez Mercado and Daniel Ortega. "First I was jailed by Somoza and then expelled by the Sandinist government," he recalls today, "but always because I have refused to be subjugated, because I am anti-totalitarian, because I have sought political pluralism in Nicaragua."

Since his exile in Costa Rica in March 1982, Alfonso Robelo founded the Democratic Revolutionary Alliance (ARDE) together with his friend Eden Pastora and thenceforth both have devoted themselves to mobilizing public opinion against the present regime in Nicaragua. "Pastora from within the military sector, and I from outside and from a political angle," explains Robelo. SOMOS interviewed him in Washington during two meetings: at the Marbury House Hotel and in front of the Capitol. This was the dialog:

[Question] What kind of Nicaragua did you expect the day Somoza fell? Did you really believe that it would move toward political pluralism or that the country would become an extension of Cuba?

[Answer] I agreed to enter the post-Somoza government in the belief that we were going to achieve a democracy such as Costa Rica, demilitarization, an integration of the national sectors to pluralize the politics of the country. But unfortunately, what happened was an imposition. The Sandinist front cornered the situation because it had the weapons and diverted that process toward a Marxist-Leninist dictatorship. Those people produced a tremendous confusion between the state, party and army, which ended up by destroying national unity. Now we have a regime that is moving more and more down the road to totalitarianism. At least Violeta Chamorro and I were manipulated and they tried to use us as puppets, but they could not. I believe basically that they surprised us in our good faith and because of lack of political experience. My mistake was to believe that the Marxists kept their commitments, that they had ethics and morality. Today I recognize sadly that that is not the case. With them, no arrangement or agreement has any signfiicance. I never believed that they were more committed to foreign ideological interests than to Nicaraguan interests. Even less from people who call themselves Sandinists. And we all know that Sandinism in essence is nationalism and anti-foreign intervention. The sad fact is that we have foreign intervention in Nicaragua today.

[Question] How and when did private enterprise break with Somoza and what plan did it offer Sandinism?

[Answer] Private enterprise in Nicaragua was progressive and worked with much social consciousness despite Somozism. It broke with Somoza by stages but basically after the 1972 earthquake in Managua, when the voracity and corruption of Somoza reached unsuspected limits. It was then that private enterprise became aware that the only thing Somoza wanted was to perpetuate himself in power. If I had to indicate the main reason for the establishment of the Marxist government in Nicaragua, I would say that it was the shortsightedness of Somozism and its obstinacy. The communists thus stole a revolution that does not belong to them alone but to all the people because we all participated in it: companies, unions, the Church, the politicians, everybody...

[Question] Who comprises the Democratic Revolutionary Alliance (ARDE)?

[Answer] It is comprised of three forces: the Sandino Revolutionary Front, under the command of Commander Eden Pastora; the Miskitos Force (three native groups from the Atlantic coast that who opposed the government from the outset, and the Nicaraguan Democratic Movement (MDN), a party of which I am the founder.

[Question] How is the MDN?

[Answer] It is a social democratic party, that is, a party of the democratic left like National Liberation (Costa Rica) Democratic Action (Venezuela), Democratic Revolutionary Party (Panama). It is a social democracy adapted to the Nicaraguan situation.

[Question] What difference is there between ARDE and the Nicaraguan Democratic Force (FDN)?

[Answer] The objective of the FDN is the military overthrow of the Sandinist government. Ours is somewhat different: ARDE is identified with the original revolution. But since that is a betrayed revolution, our goal is to redeem it and to rechannel it into its original course, which was democratic. Furthermore, the FDN operates basically on the military level, while we have a more political base. I would say that there are only differences of shade. And we have a common enemy: the present Sandinist government.

[Question] If the present Nicaraguan Government falls, what possibilities would there be of your forces joining the FDN?

[Answer] We have a communications channel open to the FDN in order to be able to jointly analyze the Nicaraguan situation. I believe that we could possibly reach some kind of coordination if circumstances require it and permit it. But for the time being, there is no merger properly speaking. However, we want to remain open to any force that agrees with us on the basics. We have to put an end to revanchism, to militarism, that has led us to the sad situation that few people know: in 161 years of independent history in Nicaragua there has never been a change of government from one party to the other except by force because a coup d'etat, a revolution or an insurrection has always intervened. Any alliance that is democratic and that helps break this cycle will be welcome.

[Question] Is it true that the FDN is financed by the CIA?

[Answer] You should ask them that. But I believe it is no longer a secret to anyone that there is something of that. The famous covert operation has ceased to be so.

[Question] And ARDE also?

[Answer] Also. But mark this contradiction: all of a sudden, the money of the U.S. taxpayer, who manages the CIA, an open and public institution, becomes "dirty" because it is applied to supporting forces that are fighting on behalf of democracy, while the money that the insurgents use is "clean" despite the fact that it is the product of crimes or kidnapings. The Marxist strategy is to paint the money that comes from the CIA as "wicked and dirty" when in reality that classification belongs to that of the guerrillas. For that reason,

I believe the democrats have the disadvantage of the disinformation that the totalitarians nurture: at a time when congress wants to impose the Boland amendment on the Reagan administration to prevent covert operations in Nicaragua, who did Qadhdhafi consult to send four planeloads of arms to El Salvador disguised as medicines? Who did Libya consult when it sent the plane with explosives and ammunition to the M-19 forces in Colombia? I believe that in this the Marxists have been successful in brainwashing the American press and certain pressure mechanisms in Washington. It is not any shame to receive money from the CIA if the objective is to bring down a totalitarian government.

[Question] What exactly are the forces that are fighting in Nicaragua?

[Answer] The government has an army of 26,000 men among whom there are 8,000 militarily trained Cubans; 2,000 of them are military advisers and intelligence personnel. Today there is one Cuban for each 12 Nicaraguan soldier. The FDN are between 6,000 and 7,000 infiltrated into Nicaragua. ARDE has as many as the FDN but 2,000 of them are Miskito indians infiltrated into their environment on the Atlantic coast. But the FDN has more military activity than ARDE inasmuch as we have begun some raids in the last 2 or 3 weeks. More than a military victory, ARDE is seeking a viable, lasting political solution with guarantees, without paying the cost of a war. Those of us who lived through the war against Somoza know what that is and would not like it to be repeated. Nevertheless, the Nicaraguan Government already knows that we did not submit to Somoza and we will not submit to them.

[Question] What is the role of Cuba in Nicaragua and of Nicaragua in El Salvador?

[Answer] Nicaragua is a satellite of another Soviet satellite called Cuba. There is not a single government decision in today's Nicaragua that has not been approved by the Cubans first and the Soviets later. Today our country is an occupied and intervened country: the 8,000 Cuban soldiers constitute the worst apparatus of repression in Managua today. Nicaragua today is also the sanctuary of the Salvadoran insurgents. Otherwise, how does one explain the death of Ana Maria and Cayetano Carpio in Managua? The presence alone of the Marxist leadership in Managua is proof that it is in Nicaragua where the El Salvador guerrillas have their general headquarters. Another example: when Ana Maria died, Cayetano Carpio was in Libya meeting with Qadhdhafi. Carpio arrived in Nicaragua and immediately afterwards four Libyan planes were intercepted in Brazil. The obvious conclusion is that Cayetano negotiated that shipment of arms with Qadhdhafi, who sent them as medicines, but when they were discovered and intercepted Carpio "committed suicide." It happens that mistakes are not permitted in the Nicaraguan sanctuary.

[Question] How is your relationship with Eden Pastora?

[Answer] We know one another since 1952. We went to college in Granada, Nicaragua together and received our bachelor's degrees in 1957. Ours is an old friendship. But Eden is an authentic Sandinist. He has been fighting for 23 years to achieve democracy in Nicaragua. He could not stand the country's surrender to Cuba and the USSR and for that reason resigned his position as vice minister of defense and went into exile in 1981.

[Question] Is there an environment to produce an armed uprising in Nicaragua today?

[Answer] I would say that after the disrespectful attitude adopted toward the Pope during his visit to Nicaragua, an atmosphere of clear repudiation of the regime is developing. I believe that conditions are more and more approaching a preinsurrection situation. But that takes root more rapidly in the rural area because a terrible police apparatus has developed in the latter. Nicaraguan society is seeing its life more and more invaded and controlled. And that has to crack somewhere.

[Question] How do you view Reagan's policy in Central America and the obstacles that congress is imposing on him.

[Answer] Congress is so blind in its eagerness to discredit and impede Ronald Reagan's policy that without being aware of what it is doing, it is playing the game of the communists in Central America. It is quite probable that President Reagan will now exercise his veto against the Boland amendment and perhaps succeed in postponing its swipes until the next fiscal year, but just the same, the underlying fact in this conflict is that it is all right for the USSR to aid in destabilizing democratic governments but one cannot apply American money to help keep those governments from falling. Which, philosophically, seems to be atrocious.

[Question] How many Somozists are there in the FDN, Robelo?

[Answer] Look, you have to make a distinction here. One thing is the Somozists connected with crimes and brutality, members of the former National Guard. And another thing is the others, who were more than anything collaborators. Of the first, I would say that there are only about 5 percent out of the total FDN forces. Of the second, there are more. But that is another confusion that the Marxists impose. The inference is: How is congress going to support former criminals? That is not quite so. For that reason, I also do not much like the appellation of "contras" for those forces. That word was coined by the Marxists to put all of the opposition in the same bag of "Somozists." We already know that the Marxists are experts at disinformation and confusion. The American congress should also learn it.

[Question] In your opinion, how long will it be before some political change occurs in Nicaragua?

[Answer] That will take time. I would say that in the short term we cannot expect anything. But in the medium term, yes, we will have changes. Never has the opposition to the Sandinist regime developed as it has now.

The Letter That Accompanied the "Proclamation to the People of Nicargua" Which Robelo Was Unable To Read in Mexico

Democratic Revolutionary Alliance (ARDE), Revolutionary Directorate

Mountains of Nicaragua, 8 April 1983

Cro. Alfonso Robelo

His Hands

Brother:

I am sending you the "Proclamation to the People of Nicaragua" so that it may be read, if you agree, on 15 April and so that the people of Nicaragua and the world may know that we are already engaged in the struggle.

I am convinced of your love for freedom and the democratic spirit because you have demonstrated that to me. For that reason, I am serene here in the mountains knowing that you will know how to handle such a political responsibility with the capacity that the people demand of us.

Receive a revolutionary embrace from, Eden

A free fatherland or death

8711
CSO: 3248/808

CORDOVA RIVAS RECEIVES INTERNATIONAL DELEGATIONS

PA032023 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Jun 83

[Text] Junta member Rafael Cordova Rivas has received Andres Zaldivar, world president of the Social Christian International. He also received an FRG mission.

Today at 1100, the junta member met with Andres Zaldivar, world president of the Social Christian International. Cordova Rivas held a broad and cordial talk with Zaldivar on international politics and the problems and achievements of the Sandinist people's revolution. Special attention was paid to the important work done by the Contadora Group.

[Begin recording] [Zaldivar] I thought it would be advisable—and this was agreed to by the organization—to visit all the Central American countries, which are located in a region of the world that is currently enduring great conflict. [Words indistinct] much background information on this situation, and see how we could cooperate, at least with moral and political support, in the search for a solution under a realistic plan for the area's democratization and pacification. However, there will be no chance of solving the problems in Nicaragua or in Central America if this is not done within the region itself and without interference. In this sense, we support the efforts of the Contadora Group. We do think that the Contadora Group should display more initiative, and that it must have the backing of the international community. [End recording]

Later on, Cordova received an FRG mission composed of Social Christian deputy (Lorenz Wilder) and FRG Ambassador Horst Heubam.

CSO: 3248/867

RESERVE BATTALION COMMUNIQUE ON WILL TO FIGHT

PA210232 Managua Radio Sandino in Spanish 1830 GMT 20 May 83

[Communique from Infantry Reserve Battalion 9014; issued "somewhere in Nicaragua," no date given; read by unidentified battalion member--live or recorded]

[Text] From: Infantry Reserve Battalion 9014 in (Plama), La Esperanza, El Recreo, Santa Ana, Muelle de los Bueyes, and surrounding areas.

To: Our relatives and the people in general.

Since our relatives are under psychological pressure and have threatened to have us demobilized, we hereby state the following:

1. Due to the war situation that the U.S. imperialism has unleashed against our territory, we reiterate that we will not leave the mountains of our dear Nicaragua until we have annihilated the enemies of our people. We will be mobilized as long as necessary.

2. We call on our relatives not to be cowed or used to spread misinformation that the reactionary sectors operating within our country have spread so that we are demobilized. This unconscious attitude only allows them to play into the hands of our enemy, who is trying to take away from us the power and achievements that the Sandinist people's revolution has given us: the workers, peasants, technicians, and professionals who are participating in armed defense tasks.

3. We make it clear that the rumors being spread about us only seek to harm us, because they create unrest among our relatives and even cause them sickness, thus forcing them to unnecessarily spend the scarce resources that they have. These rumors also harm us and negatively affect our combat morale because, since we are constantly thinking about the problems in our homes, we are lax in some of our duties. This harms our people, our relatives, and even ourselves.

4. The war situation and destabilization that the internal foes and U.S. imperialism have unleashed in our territory, in an effort to snatch our Sandinist power, the people's power, are not to be blamed on our National Directorate, our local leaders, or even ourselves or our relatives. The blame lays with the counterrevolution and the U.S. imperialism which are bringing

mourning and sorrow to our people, drowning in blood our desire to be sovereign and independent, and also dimminishing our economy.

Let this communique be published through any means, so that our people and relatives may learn of our resolve. Whatever the cost, we will fulfill our duty to our homeland!

Free fatherland or death!

CSO: 3248/863

U.S. 'ECONOMIC AGGRESSION' AGAINST COUNTRY SCORED

PA030241 Managua BARRICADA in Spanish 23 May 83 p 3

[Excerpts] On 9 May the Reagan administration cut Nicaragua's sugar quota by 90 percent. As we Nicaraguans, except perhaps a ranking member of the Catholic hierarchy, realize, this measure of economic aggression and political blackmail is part of the U.S. Government's strategy for overthrowing the Sandinist Revolution.

This increased economic aggression reflected in the sugar blockade poses immediate challenges, but the chance that this may be extended to other products, like meat, banana or shrimp, which we export primarily to the United States, suggests that we must also prepare for the future.

The sugar issue is an example of imperialism's plans, which we must carefully analyze. The first thing that becomes self-evident, beyond the illegality of the measure and the arrogance with which it was justified, is the fact that it is an attack on the revolution's mixed economy. In addition to weakening the revolution economically, it is an attempt to create contradictions between the revolutionary state and private producers, as well as to divide the Central American countries.

In Nicaragua, 60 percent of the sugarcane and 52 percent of the sugar is produced by the private sector, while the rest is in the hands of the APP [People's Ownership Sector]. If the whole of the nation's economy is affected by the reduction, it is evident that the private sector's interests will be seriously damaged, as admitted in a declaration issued by the Nicaragua Sugar States (owners of the San Antonio sugarmill). This demonstrates that the primary enemy of mixed economy, and, we could add, of political pluralism and international nonalignment, is the U.S. administration, with its economic, political, diplomatic and military aggression, which is creating a climate of insecurity for our economic development.

The revolution's reply to this economic aggression can be summarized in three main points: first, to accuse the United States at all international economic organizations of violating the OAS Charter and other international treaties; second, to seek an alternate sugar market in friendly nations, an idea on which we are already working, in which to sell the sugar produced in 1983-84 in coming years; and, third, to continue with our plans to expand sugar production, both for the local market and for export.

Evidence of the latter is the continuation of the Malacatoya sugar project, in line with which we are already discussing export agreements with friendly nations that will allow the sale of sugar under stable conditions, despite the constant price fluctuations in the international market.

In other words, we are already returning the imperialist blows.

CSO: 3248/867

GONZALEZ, STONE AREA TOURS CONTRASTED

PA050137 Managua Domestic Service in Spanish 0300 GMT 4 Jun 83

[Station commentary by (Luis Rivero Rossi): "The Spaniards and the U.S. Trap"]

[Text] On 28 October 1982 when the Spanish Socialist Worker's Party [PSOE] took over the government after winning the general elections by a wide margin, we said that this was a pat on the back for the initiatives to guarantee pacification in Central America. The PSOE had made this obvious when it said that Latin America would be a priority in its foreign relations. This position became clearer during the 8 months of Socialist Government in Spain and is currently confirmed by Spanish Prime Minister Felipe Gonzalez' regional tour.

According to statements by the Spanish leader himself, the tour, that began with the visit to the Dominican Republic on Monday, is intended to support the various peace initiatives for Central America. This intention has been the common factor in Gonzalez' statements in Colombia, Venezuela and Panama, three of the countries included in his tour that will end on Saturday in Mexico.

The Spanish prime minister has reiterated his support for the Contadora Group; has pledged his efforts to achieve a joint support from the Socialist International, Liberals and Christian Democrats; and has warned the U.S. that its interventionist policy is a great mistake.

Parallel to the Spanish leader's tour, Richard Stone, U.S. ambassador at large for Central America, is making his own tour; however, the intentions are quite the opposite. Whereas Gonzalez comes to support peace, Stone comes to the region to coordinate intervention. This other visit that Central America is experiencing responds to the Reagan administration's reorganization for a new interventionist escalation in the area.

Within this framework and far from being a mission to open the possibilities of negotiations as Washington is trying to pretend, make believe, Ambassador Stone's task is to prepare the ground for forging a counterrevolutionary coalition directed against Nicaragua and the Salvadoran people's struggle.

The two tours clearly show the options that the Central American peoples have for the immediate future.

CSO: 3248/867

TORRES REITERATES RIGHT TO ARM FOR DEFENSE

PA041615 Managua Radio Sandino Network in Spanish 1200 GMT 4 Jun 83

[Text] While we prepare ourselves for production, the Reagan administration, in complicity with area governments, is making large-scale preparations to increase its aggression against our people. This statement was made by Brigade Commander Hugo Torres in referring to the warlike actions that imperialism is carrying out in Honduran territory. The commander made this statement during a ceremony yesterday at the Carlos Aguero Military Academy.

The revolutionary leader said that a bigger war is ahead. We are not ignoring the importance of the invasions we are enduring now, but crueler, harder days are ahead, he said. This is what Commander Hugo Torres, chief of the Political Directorate of the Sandinist People's Army said:

[Begin recording] While we make efforts to safeguard peace, the governments of the area play the game of the United States. They do it, in the political aspect, by trying to make others believe that we are the factor of discord and destabilization in the area, to make others believe that we are the factor threatening democracy in Central America. Meanwhile, they are arming. They are preparing for war, waiting for the best moment to jump on us to fulfill their deadly objectives.

And while we speak of wanting to produce more coffee, of planting the land with cotton and staples; while we struggle to overcome the very serious economic wounds we inherited and are still enduring, the Honduran Government is making efforts to secure new Kfir fighters, to secure combat planes in Europe, to get more warships; and these efforts by the Honduran Government are nothing but the implementation of the will of the North Americans to create naval bases, new airfields for larger planes, new regular army units, new schools for commanders and staff officers. This is the will and the work of the U.S. Government in the area.

While we talk about peace, while we make real efforts toward peace, they implement coarse campaigns that include the showing of pictures of Soviet ships unloading machinery and tractors for our economy and rudely reporting this to the U.S. people as ships unloading arms. And even if this were so, don't we have the right to arm ourselves? Even if it were true that it was arms, don't we have the right to be armed in view of facts such as the ones we have pointed

out, in view of the arms buildup by the U.S. puppets in the region, especially by the Honduran Government?

Don't we have the right to arm to defend ourselves? Don't we have the right to get rifles when our workers and peasants are being killed daily? [End recording]

CSO: 3248/867

BRIEFS

FPR DELEGATION TO GDR--A delegation of the Revolutionary Patriotic Front, FPR, will leave today for the GDR, where it will hold meetings for 2 weeks with leaders of the GDR National Front. The members of the FPR delegation are Jose Luis Medina of the Nicaraguan Socialist Party, Evelia Morales of the Independent Liberal Party, and Maximo Romero of the Popular Social Christian Party. They will denounce in Berlin the situation Nicaragua is facing as [a] result of the invasions carried out from Honduras and Costa Rica by the Somozist task forces sponsored by the CIA. Another FPR delegation will be leaving in mid-June for countries in Western Europe to establish relations with similar political organizations and to seek their solidarity with Nicaragua. [Text] [PA302135 Managua Radio Sandino Network in Spanish 1200 GMT 30 May 83]

MONGOLIAN FOREIGN MINISTER'S LETTER--Mongolian Foreign Minister Mangalyn Dugersuren has sent a letter to the Nicaraguan foreign minister, expressing the support and solidarity of his party, people and government in the face of the imperialist aggression against our country. In these trying days for the Nicaraguan people, I would like to confirm that you have the determined support of the workers of the Mongolian People's Republic. This support has already been expressed to the delegation representing the party, government and people of Nicaragua led by commander of the Revolution Daniel Ortega, which recently made a memorable visit to Mongolia, the Mongolian foreign minister's letter states. [Text] [PA211342 Managua Radio Sandino in Spanish 0300 GMT 21 May 83]

AUSTRIAN TECHNOLOGICAL COOPERATION--Managua (ANN)--Representatives from the Austrian Cooperation for Development Service and the International Fund for the Reconstruction of Nicaragua have signed a technological cooperation agreement on behalf of their two nations. The agreement provides for the dispatch of Austrian experts to Nicaragua to cooperate in implementing state-promoted development plans. [Summary] [PA222017 Managua EL NUEVO DIARIO in Spanish 17 May 83 p 6]

GDR NATIONAL FRONT'S MESSAGE--The National Council and the presidency of the National Front of the GDR sent a message to the Patriotic Front of the Revolution with bortherly, militant greetings in these difficult days of the war waged by the Nicaraguan people to repel the imperialist aggression against Nicaragua. The letter adds that, with indignation and as a sign of protest, the National Council of the National Front of the GDR opposes the Reagan administration's attempt at deposing the people's power and reestablishing in Nicaragua the power system of the past, so hated by the people, by waging an undeclared war against

free Nicaragua through Nicaraguan counterrevolutionaries and Honduran mercenaries. The message stresses that the criminal invasion of Nicaragua by mercenary forces financed and armed with modern U.S. weapons and led behind the scenes by U.S. military advisers is an abusive plot to depose the Sandinist people's revolution and to change the correlation of political and strategic forces in Central America and Latin America in favor of Yankee imperialism. [Text] [PA201607 Managua Radio Sandino in Spanish 1830 GMT 19 May 83]

NEW AMBASSADOR TO YUGOSLAVIA--Emilio Moreno Gutierrez, ambassador to the GDR, has been appointed ambassador to Yugoslavia as well. Moreno Gutierrez presented his credentials today in Belgrade. [Summary] [PA212214 Managua Radio Sandino in Spanish 1830 GMT 29 May 83]

COMMUNISTS ON ELECTION DATE--Managua, 30 May (ACAN-EFE)--Eli Altamirano, secretary general of the Communist Party of Nicaragua, told ACAN-EFE that there is an urgent need to enact several laws for "the country's democratization." The communist leader said that "it is necessary" to enact a political parties law, an election law, and a press law. Altamirano appealed to the Nicaraguan Government Junta to issue a decree "to reaffirm the holding of the elections" and to establish the length of the election process, the date of its initiation, and the actual date of the elections. The Nicaraguan communist added that a communications media law is required, as well as "the resumption of the radio newscasts that are now suspended." Altamirano said that concurrent with these new laws, the government "must reestablish union freedom and the workers' right to strike." [Text] [PA310353 Panama City ACAN in Spanish 0122 GMT 31 May 83]

NETHERLANDS FOREIGN MINISTER--Netherlands Foreign Minister Hans van den Broek, following a 24-hour visit to Nicaragua that ended yesterday afternoon, said that his country will lend the Nicaraguan Government $20 million to be used for national reconstruction. During a press conference, the Netherlands foreign minister said that once he returns to his country he will call on the EEC member countries to support the peace initiatives of the Contadora Group that seek a negotiated solution to the problems of the Central American region. The foreign minister added that during his stay in Nicaragua he was able to confirm that the financial aid his government has given our country has been well used, and he said: We believe it is fitting that we should continue cooperating with the Sandinist People's Revolution. Hans van den Broek added that no European country agrees that aid should be given to the former Somozists for them to attack Nicaragua. He said that he was leaving impressed with the open attitude toward dialogue that the Nicaraguan leaders have. He spoke with the leaders about political pluralism, mixed economy and nonalignment. [Text] [PA290051 Managua Radio Sandino Network in Spanish 1200 GMT 28 May 83]

CSO: 3248/863

GENERAL PAREDES DECORATES GENERAL NUTTING

PA241710 Panama City LA ESTRELLA DE PANAMA in Spanish 24 May 83 pp 1, A10

[Text] The National Guard, through its commander in chief, Brigadier General Ruben Dario Paredes, yesterday decorated General Wallace Nutting, chief of the U.S. Army Southern Command headquartered in Panama. Gen Nutting was awarded the "Jose Antonio Remon Cantera" medal in recognition of the 4 years during which the U.S. military man carried out a mission of friendship and rapprochement in Panama.

The ceremony, which was given added prestige by the presence of the National Guard Staff, Foreign Minister Juan Jose Amado III, Government and Justice Minister Justo Fidel Palacios, U.S. Ambassador Everett Briggs and the members of the Military Attaches Association in Panama, was an expression of the feelings and ties of friendship that exist between our country and the northern nation.

In decorating Gen Nutting, the commander of the National Guard said that the U.S. general is "a military gentleman living in a difficult period when peace in the Central American area is being disrupted."

Gen Paredes said that Nutting has been able to understand the roots of the Central American problem and the origin of the conflict in each country. He added: Without detracting from other U.S. commanders, Nutting has done great work for rapprochement and has developed a true friendship among the people, governments, and armed forces of the United States and Panama.

In stating his appreciation for the honor, Gen Nutting said: "Many changes have occurred in the relations between Panama and the United States in the past 4 years. I have observed a consolidation of the friendship and cohesion between our countries and this will be very valuable to our futures. [quotation marks as published]

Gen Nutting added that, by promoting understanding and comradeship, he believes we are on the right road to allowing our nations to continue along the path to democracy.

Nutting said: "The continuous support given to the military community has permitted the Southern Command to fulfill its responsibility to defend the Panama Canal in cooperation with the National Guard."

When Gen Nutting concluded his speech, National Guard Staff Chief Col Manuel Antonio Noriega gave him a citation extolling the virtues of the U.S. military man. The citation was signed by the National Guard commander in chief and by the chief of staff.

The ceremony was very splendid at all moments. It served as the framework for the rapprochement and fraternal meeting of representatives of the various armed forces institutions from hemispheric countries that have diplomatic relations with Panama as well as representatives of armies from other parts of the world.

CSO: 3248/860

STATION INTERVIEWS VISITING BASQUE PREMIER

PA172245 Panama City Circuito RPC Television in Spanish 1715 GMT 17 May 83

[Manuel Santamaria Llamas interview with Basque Government Premier Carlos Garaicoetxea on 17 May 1983 on his arrival at the General Omar Torrijos International Airport on a 3-day visit to Panama--recorded]

[Excerpts] [Santamaria] Mr Premier, there have been violent situations in the Basque region in the past few years. As the premier, what is your view of the situation in that area resulting from the use of violent methods that are, in fact, contrary to the policies that you have (?always) pursued?

[Garaicoetxea] In initiating the democratic process in Spain, we opted for the paths of understanding, of struggle through the use of reason, with the weapons of reason, which define democracy and institutional channels. There was a sector of the Basque people--a not insignificant sector, because when one speaks of more than 10 percent of the population, this implies an important social sector--that did not have faith in this process, in this transformation by peaceful means, and thus the old struggle that was initiated against the dictatorship, against the Franco regime, is now--paradoxically, I might say--continuing in the democratic process, causing difficulites for the process at times, as well as for our own internal coexistence in the country, of course.

I hope that this situation of social upheaval, which is a trauma derived from deep historical roots involving the struggle of a people that was very hard at times, can be overcome if it is realized, as I hope it will be, that the democratic process is real and that the process toward self-government demanded by the immense majority of my people will become a reality by peaceful means.

[Santamaria] Mr Premier, to what extent is your trip to this area connected to the somehwat violent situation in the Basque region and to that in the Central American area?

[Garaicoetxea] I hope to have the privilege of meeting with the country's president and other high-ranking officials so that I can get a closer view of the situation in this beloved Central American area. For me, this violence has very special connotations, as you have noted, because we, too, are afflicted with the problem of violence. I believe that when violence has deep roots, of one sort or another, as it so often does, and as is true in the cases we are

discussing--violence that results from endemic social problems or from political-historical problems--then a great amount of dialogue, understanding and generosity is required. I think that this is being successfully attempted here and I congratulate those who are involved in this initiative and encourage them to continue their efforts, because to achieve peace--peace that must always be based on justice--is a beautiful accomplishment.

CSO: 3248/860

OPPOSITION PARTIES OFFER ELECTIONS PROPOSAL

PA142319 Panama City LA PRENSA in Spanish 11 May 83 p 1A

[By Vladimir Sandoval]

[Text] Six opposition political parties proposed yesterday that the presidential elections be scheduled for 1984 and that it be required that National Guard staff commanders and members retire the year before if they want to participate as candidates, since the people who occupy such positions must be completely impartial in the electoral process.

The proposal, which was signed by the Nationalist Liberal Republican Movement, the Liberal Party, the Christian Democratic Party, the Popular Nationalist Party, the Authentic Panamenist Party and the Peoples Action Party, emerged during a discussion of the draft of the electoral code that took place in the Electoral Tribunal Building.

The parties also seek prohibition of official support, either direct or indirect, for particular parties or candidates for elected posts, as well as of the use of state resources for political activities and of propaganda activities in state organizations. In addition, they ask that Electoral Tribunal officials not be subjected to influence or pressure from other officials, since the tribunal members must be impartial, objective and honest.

The proposal that individuals in public positions who wish to become candidates must resign from their posts a year before the date of the elections would also apply to the president of the Assembly of Representatives and of the Legislation Council, state ministers, managers and directors of autonomous organizations, Supreme Court justices, the attorney general, the comptroller general and the director of the National Department of Investigations, DENI.

The proposal would also have provincial governors, vice ministers, assistant managers and deputy directors of state organizations, National Guard zone chiefs, Superior Court justices, the deputy comptroller, the administration attorney, the assistant district attorney, the DENI deputy director the elections attorney, Regional Administration Officials and municipal mayors resign 6 months before the elections if they wish to be candidates.

The proposal also suggests that officials who have exercised legal functions in the Judicial Branch, the State Attorney's Office, the Executive Branch, the Electoral Tribunal and official organizations, or who have served as magistrates, within 3 months of the elections not be permitted to run as candidates for any government position.

CSO: 3248/860

AMADO REITERATES FOREIGN POLICY PRINCIPLES

PA131608 Panama City LA ESTRELLA DE PANAMA in Spanish 13 May 83 pp 1, A-14

[Text] Panamanian Foreign Minister Juan Jose Amado III has reiterated Panama's Americanist spirit through the efforts that the Foreign Ministry is currently undertaking with the Contadora Group.

The Panamanian foreign minister's views are expressed in a message replying to the Union of Panamanian Construction and Related Workers, UTICAP, an organization which, in the opinion of a Foreign Ministry spokesman, "formulated statements based on distorted press reports."

Amado also reminded the UTICAP members of "the Foreign Ministry's open-door policy to resolve the concerns that the Panamanian community in general might have."

Here is the text of the telegram sent by Foreign Minister Amado III to UTICAP Secretary Jose Gil Miller:

Mr Jose Gil Miller
Secretary General of the UTICAP
Colon, Colon Province

Regarding the thoughtful 10 May telegram that your organization sent me referring to a local newspaper report, I must tell you that the newspaper article under the title "Reagan's Policy Responds to Latin American's Interests" which cited the foreign minister as the news source, does not conform to the truth.

The Foreign Ministry has issued no comment either for or against President Reagan's speech.

We can reiterate to you that the principles on which Panama's foreign policy is based and implemented are being maintained without any variation and that those principles essentially respond to our nation's interests. They are directly related to the principles of the UN and OAS Charters regarding the respect for the self-determination of peoples, noninterference in the domestic affairs of states, and the need to maintain good relations among nations.

In addition, I reiterate our deep desire to defend nationalist concepts and Americanist conviction which have been shown through Panama's international relations and especially the efforts it is currently undertaking with the Contadora Group.

It is advisable that I state that the ministry maintains an open-door policy to resolve any concerns that the Panamanian community in general might have and in particular that associations, unions, or other organizations might have regarding the uprightness of our administration and the many tasks in which the national government requests our special cooperation.

Yours truly,
Juan Jose Amado III
Foreign Minister

CSO: 3248/860

BRIEFS

APPOINTMENTS AT TELEVISORA NACIONAL--Camilo Amado and Aris De Ycaza have been elected president and vice president, respectively, of Televisora Nacional's board of directors. Mario Velasquez has been ppointed the television station's general manager. [Summary] [PA212217 Panama City Televisora Nacional in Spanish 2300 GMT 20 May 83]

NEW FRENCH AMBASSADOR--Robert Cantoni, the new French ambassador to Panama, presented his credentials to President De la Espriella on 10 May. He is a career diplomat and former ambassador to Gabon. [Summary] [PA181849 Panama City LA PRENSA in Spanish 17 May 83 p 7A]

CSO: 3248/860

BCV ACTING PRESIDENT DISCUSSES BANK'S MONETARY POLICIES

Caracas NUMERO in Spanish 22 May 83 pp 12-15

[Interview with Central Bank Acting President Oswaldo Padron Amare; date, time and place not given]

[Text] As was to be expected, the regulations that are being applied in the foreign exchange market and the measures aimed at expanding monetary liquidity were the principal issues analyzed by the interim president of the Central Bank of Venezuela (BCV) in a 45-minute interview granted to NUMERO.

Oswaldo Padron Amare expressed his convictions—which go beyond the general context of economic policy, of course; he thinks it is possible that imports will also be cut by $7 billion—and explained what the Central Bank's policy should be. Less visible in the dialog, though constantly recurring, was the same question: Who calls the shots in the Central Bank?

That is not a trivial question. The president of the bank, Leopoldo Diaz Bruzual, decided during Holy Week to take a 3-month vacation abroad. When he left, the BCV's cause, the hegemony of the Central Bank in the management of exchange and monetary policies, was practically lost.

Diaz Bruzual had been unable to make the technical criteria of the bank prevail in the secret meetings of the economic cabinet that were to result in the reforms of February, to make the bolivar freely convertible and admit a guaranteed exchange rate for the payment of the foreign debts of the private, financial and non-financial sectors.

In addition to disagreements with the Finance Ministry, there were sharp differences between the president of the bank and the directors, which Diaz Bruzual managed to head off temporarily by not calling meetings of the board of directors.

Power of Finance. The disagreements were essentially the fruit of the asymmetry that exists between the faculties the law grants to the bank and the fact that its opinion is not binding on the decisions of the Executive Branch. This means, in other words, that the power is in the hands of the

minister of finance, and it is well known that Arturo Sosa used his prerogatives.

Four of the seven bank directors are appointed, and in practice Finance has had final approval—they are ministry officials—and the fifth is nominated by the Bank Council, the sixth by the Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS), and the seventh by the Confederation of Venezuelan Workers (CTV).

Padron Amare thinks that the BCV ought to wage "fierce battles to impose its will and eventually assume a critical attitude," although its fate may be to yield to the decisions of the Executive. "That is done by central banks all over the world, and that is the BCV's style, although the others do not always adhere to that style," he added.

In his opinion, the same scheme applies to the command within the bank. "Administrative authority adamantly defends its points of view, which are discussed among board members."

Of course, it is hard to believe that such extensive deliberation would contribute to a strong decision-making process. It is possible, moreover, that the opinion of the president, who tends to express the recommendations of the technical departments of the bank, would have to yield frequently to the proposals of the board of directors.

Diaz Bruzual made an effort to overcome these dichotomies, and Padron Amare, whom he appointed as first vice-president of the bank—they served together on the board of the Venezuelan Investment Fund (FIV)—tries to do the same in a different way. But basically the situation has not changed.

Padron Amare has become a zealous custodian of the reserves. Obviously, he expresses the position of the BCV to a large degree, and at the appropriate time the bank informed the Stock Exchange of its objections to the free market. In fact, the BCV was not interested in a constant drain of dollars toward a marginal market.

He acknowledged that with the new BCV regulations "the free foreign exchange market does not exist in the purest sense." Or at any rate, it will be relegated to foreign reserves transactions outside the BCV. He even agreed that a parallel market could emerge (a euphemism for the "black market").

He does not agree with some economists, however, in comparing the exchange measures of the sixties and the existence of a free market on the Stock Exchange, which developed normally, with the present circumstances. "The model of the sixties does not apply; the magnitudes were different."

According to Padron Amare, the banks have experience; they cover the country, and all that makes them suitable to become intermediaries. The regulations will be determined in accordance with market trends, and the BCV will exert control over the results of foreign currency sales.

A gray area opens up, however, in terms of the scope of other policies; that will depend on the refinancing of the foreign debt of the public sector and on available reserves.

Monetary Question. In this context, the slackness of liquidity is not surprising. Padron Amare assumes that it will be decided to increase the current level of 124 billion bolivars by 5 to 7 percent, but on this point his idea of "a prudently restrictive monetary policy" does not seem reconcilable with the reported tendency of the directors to promote expansion.

As for interest rates, by cutting the rediscount the BCV "is pushing them downward." So far the voluntary decision of the banks in March to cut active rates by 3 points is a dead letter. According to Padron Amare, if despite the BCV's example they do not drop, "they will have to be set."

There is always doubt as to whether the BCV will be able to devise a coherent policy. For example, recently when it decided to buy 2 billion bolivars in National Urban Development Fund (FONDUR) bonds to reactivate the construction sector, Padron Amare, according to press reports, abstained from voting. Other reports indicated that he opposed it, but in one way or another criteria are being set forth that could affect the implementation of the initiative.

Furthermore, what role does the BCV play in the efforts to refinance the debt? None, even though Article 40 of the bank's charter states that "it is the only financial agent of the National Government in its credit transactions, domestic as well as foreign, and as such it shall negotiate the placement and servicing of any loans that are contracted."

"The BCV should have more influence," was all Padron Amare would say.

The following are the highlights of the interview with the acting president of the BCV, regarding the most pressing issues of the day.

[Question] Two months after the differential exchange rate system was established, the difficulties in its practical implementation do not appear to have been resolved. Curiously, the biggest obstacles are seen in the so-called "free market," which has now virtually entered the realm of official regulation. What went wrong?

[Answer] It is very common to talk of "what went wrong." It seems to me that we should consider, on the contrary, that this is an evolutionary process and it cannot be expected, after a traumatic move such as exchange control, that the mechanisms should begin to function smoothly in a matter of days.

In the case of the free market, the Central Bank should play a marginal role; it cannot become the supplier of foreign reserves par excellence in this segment when the exchange plan that was adopted calls for two preferential markets that represent the true commitments of the Venezuelan state. The supply of foreign currency to the free market is basically the responsibility of private entities. The initial actions of the BCV were designed solely and exclusively to serve as a catalyst, through the supply of fairly small quantities

that would get that market moving, but working on the assumption that the market would be fed by other sources.

When the supply is reduced and the Central Bank in fact becomes the principal supplier of foreign currency, two problems arise: the first is that in that case there can be no more talk of a free market in the strict sense, because there is an institution that exerts decisive influence on the supply; the second is that the Central Bank cannot sacrifice significant quantities of reserves on that market.

[Question] What went wrong, then, was official expectations that sufficient volumes of private capital in foreign currency would come in to balance the free market?

[Answer] The problem is that they are not providing quantities that are commensurate with trends in demand. It cannot be said that there was no private supply; according to our figures, a significant amount of capital has come in, some $400 million. . .

[Question] Admitting that that $400 million is a respectable amount, didn't government officials overestimate the potential influx of returning capital?

[Answer] In principle, it is completely inaccurate to operate on estimates of the volume of capital that will return. From that point of view, the government's policy should be oriented toward creating favorable conditions for that return. It is assumed that this is linked to internal political and economic processes that provide possibilities for investment and earnings which, during these times of election-year expectations, are difficult to conceive.

But, on the other hand, it is very important in this regard to stabilize the exchange rate on the free market, because otherwise expectations would be raised, and those with foreign currency holdings would wait to bring them back in the hope that the rate would continue to go up.

[Question] The stabilization of the free exchange rate is apparently the objective pursued by the new exchange pact . . .

[Answer] That is the objective of the Central Bank.

[Question] But it can also be argued that with this mechanism the free market is liquidated, and in fact a third official exchange rate is created, the one established by the Central Bank from now on for the dollars it provides to banks.

[Answer] It has been said, in effect, that the Central Bank has decided to impose certain rates, but that is not so. In setting the exchange rate for foreign reserves coming from the institution, the Central Bank is trying to adjust to the reality of the market.

[Question] And in that market it also functions as a full-fledged operator.

[Answer] Of course, but not only does it act as a full-fledged operator, but also as an agency that is developing an overall policy. That is what distinguishes the Central Bank from other institutions whose interests are more limited, or more "self-centered," if you will.

The problem is not that the free market is disappearing. In the new exchange agreement the Central Bank's power to regulate the free market is expanded, and some mechanisms have been established to control the actions of operators when they negotiate with foreign reserves obtained from the Central Bank. This has been done in order to prevent the differences--major ones--that have been observed between the purchase rates and the sales rates of some operations.

The rate set by the Central Bank, I repeat, cannot be a theoretical rate, but should be firmly rooted in reality. And for the foreign reserves that come from private sources, the free market is perfectly well established.

[Question] What exactly is the "free market" now?

[Answer] In the new pact, the free market operates through various institutions: the Central Bank, commercial banks, the Stock Exchange, money exchange offices. These are the operators par excellence of the free market. What happened is that the exchange operations on the Stock Exchange were halted temporarily in order to reconstitute that market. The basic aim is to keep the fluctuations from being as erratic as they have been.

[Question] Nonetheless, the stock market is the "kingdom of speculation" throughout the world, in the positive sense of that term. It is difficult to imagine another area of the economy where supply and demand function with such unrestricted liberty. How can these facts be compatible with the decision--or the need--to stabilize the fluctuation of the currency through formal regulations?

[Answer] I understand, of course, that the Stock Exchange is legitimately the quintessence of the free market, in a way. But that is fine in the case of other items such as stocks or bonds. A nation's currency cannot be influenced to such a large degree by speculative movements. And there is no doubt that the function of the Central Bank is to try to moderate those erratic fluctuations, by any means. The BCV cannot be induced by systematic upward trends to burn foreign currency on the stock market if that does not jibe with the objectives of its overall policy. And under those circumstances the institution must adopt another kind of measure.

[Question] Is there any reason to believe that this sustained demand on the stock market will no longer be apparent through the commercial banks or other channels?

[Answer] Above all, there is one matter that people seem to forget, and that is that we live in an era of limits. We have had to resort to exchange control because we have a serious imbalance in the external sector, and the Venezuelan economy cannot continue to spend foreign reserves as it had been until 18 February. For that reason, I admit that there will necessarily be an

unsatisfied demand for foreign currency. but this unmet demand cannot be left to its own devices in an imperfect market, creating the feeling that there is a persistent upward trend, fed not only by those who are forbidden access to the preferential markets, but also by major operators. The banks, for example, have turned to the Stock Exchange, and that has helped keep demand pressure high.

What we are trying to do now is utilize the financial system as an essential operator of the foreign currency market, for various reasons. First of all, because the banks are skilled operators in the area of exchange. In the second place, because the possibility of operating through the banks should ensure greater attention to a large number of users of the free market who do not necessarily have access to the Stock Exchange. In the third place, because, given the vastness of the financial system, the rates determined by that market can serve as more reliable indicators of the situation, due to the diverse nature of the transactions that take place in banks. And finally, because through the financial system the Central Bank is ensuring, or should ensure, a more rational use of foreign reserves, which are still in short supply. It is not just a question of supplying the free market, but of doing so within the limits deemed adequate by monetary authorities.

[Question] Will the Central Bank, then, exercise effective control over the use of the foreign reserves distributed through the financial system?

[Answer] Of course. That is a function that monetary authorities must fulfill with particular efficacy at this time. This is a problem that the Central Bank has been studying for some time, so we are already in a position to know what the foreign reserves negotiated by the banks will be used for.

Certainly in that sense the Central Bank is intervening quantitatively and qualitatively in the free market, which does not appear to be compatible with the typical operations of the Stock Exchange in which no one has any reason to know the origin or destination of the securities being negotiated. That is very legitimate, but it does not necessarily coincide with the aims of monetary policy.

[Question] How do you explain, then, the fact that the Stock Exchange was initially given a determining role in the exchange market? Was it an attempt to mechanically reproduce the experience of the sixties?

[Answer] In analyzing that point one must not forget that in Venezuela we do not have enough experience or a real tradition of exchange control.

It is true that during the sixties the Caracas Stock Exchange operated under an exchange control system, but that was a very different situation, because of the magnitude as well as the nature of the factors that led to controls. The exchange system of those years was designed for a completely different economy, an almost parochial economy, which has very little to do with the problem we face now.

[Question] You mention an unsatisfied demand that is made up not only of speculative buyers, but also of those who have legal access to the preferential market, but do not obtain dollars in Recadi.

[Answer] Of course. One of the reasons why it is very difficult to pass judgment on the free market 2 months after the establishment of exchange control is that Recadi is not yet functioning at maximum efficiency. This fact, which is perfectly understandable, means that many operators who normally would be satisfied by the preferential markets, must go to the free market to meet their immediate needs.

[Question] Anyway, that unsatisfied demand seems to point inevitably toward the formation of a black market for foreign currency (although perhaps the term may not be the most appropriate in Venezuela). In this case we would have four exchange rates.

[Answer] I suppose you would really have to speak of a "parallel market." Certainly that possibility exists. But I think that one of the functions of monetary authorities is to set an exchange rate that, by expressing as precisely as possible the real value of the currency, would discourage parallel markets, which tend to reflect pronounced differences between the real and official rates.

[Question] Do you accept the thesis that was formulated recently by Tomas Carrillo Batalla, whereby it is possible to reduce imports by $6 billion or $7 billion?

[Answer] It is possible, and we should move toward a decisive restriction of imports. Now, that has a cost on the domestic front, and the function the Central Bank is trying to serve is to attain a balance—a very delicate and difficult one—between the objective of preserving the external sector and that of preventing profound maladjustments in domestic production or in employment levels.

On the other hand, the public and private foreign debt is a factor that is still influencing the design of long-term policies, because until we learn the final results of the renegotiation, we will continue to operate without an essential piece of information. Thus, the Central Bank needs to pursue very flexible policies during this stage.

[Question] What you call flexibility takes on, for some observers, the appearance of a disturbing vacillation in exchange policy. Doesn't this militate against the goal of building confidence?

[Answer] There is hardly anything less definable than confidence when speaking in these terms. In many cases, the much touted confidence tends to be the equivalent of expectations of excessive profits. That is not the goal the Central Bank is trying to achieve. We are interested, on the contrary, in strengthening the kind of confidence that is supported under more solid and realistic conditions. Frankly, I do not believe that flexibility represents an obstacle, but just the opposite; it is a necessary instrument for attaining stability.

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FOREIGN DEBT, PRICE CONTROL, OTHER ECONOMIC ISSUES ANALYZED

Caracas NUMERO in Spanish 22 May 83 p 16

[Text] Who won and who lost? There is no doubt that the country lost. In view of the expectations generated by the debate, the feeling we are left with, in the best of cases, is that we have been completely defrauded.

Aside from the fact that debate in and of itself is one more proof of the benefits of the democratic system, in which ideas (although in this case, what ideas?) can confront each other freely, there have probably been few instances in contemporary Venezuelan history of such an unfortunate event. There was not even a central idea to guide the discussion, or a key theme that was analyzed in depth. Just the traditional confrontation in the public square in which the opponents engage in a series of sterile mutual accusations, without ever realizing that the Venezuela of today demands something more. It demands to be told what road to follow, no matter how thorny and difficult it is, to emerge from the situation is is mired in now.

To understand the failings of the television show in their full dimension, it would be a good idea to review some of the important issues that were not covered.

--Private foreign debt. Venezuela's entire foreign debt amounts to about $30 billion. The short-term debt, much of it due now, exceeds $9 billion, and urgently needs refinancing. As for the private foreign debt, there is no accurate information, just more or less approximate estimates. Moreover, that includes financial sector debts and also the debt of the industrial sector.

The non-banking sector calculates that its external debt is about $3 billion (that of the financial sector could be as high as $5 or $6 billion, including inter-bank lines).

In the beginning, the government denied preferential dollars to the debts of merchants and industrialists. The reaction was so violent and persistent that after several weeks of strife it admitted the possibility of including those obligations in the preferential dollar system. The decree's wording is sibylline: it will depend on the availability of foreign reserves. In other words, if there are enough dollars then the payment will be made. Since

prices were frozen at the same time, industrialists have no other way to recover, faced with debts that have doubled in size in terms of bolivars.

But with the decree written in these terms, the industrialists have been able to fend off their foreign creditors and prevent foreclosures. In any case, the private sector has faith in the ability of international banks to exert pressure so that when the debt is renegotiated one condition will be an effective solution to this problem.

—Pricing system. Concurrently with the exchange measures, prices were frozen for 90 days. At the end of that period a system of administered prices was implemented, a euphemism for a new price control system with bureaucratic roadblocks all over the place, thereby increasing the irritation of the business sector. The government is facing the possibility of mass disobedience by business, which responds to what it considers a joke by threatening to raise its prices without prior authorization.

—Wage policy. The Confederation of Venezuelan Workers (CTV) labor organization is preparing to call for a massive increase in wages. Its strength in Congress is of such magnitude—especially through Democratic Action (AD)—that it can obtain results even with the opposition of the Executive, as has occurred in the past.

Management's Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS) maintains that with the tremendous debts entailed for the sector by the recent devaluation, plus the price freeze, raises are unthinkable. Meanwhile, as a preventive measure, the layoffs continue.

—Unemployment. According to the unions, unemployment is at 14 percent of the labor force. The government admits only 10 percent. But even considering the significance of these figures, both estimates seem low. In recent weeks preventive layoffs have accelerated, and no one is interested in disseminating the statistics too much for fear of arousing social pressure. But in a few months more, not only will there be supply shortages but also a mass of jobless workers who will have used up their benefits and may be on the verge of despair.

—Industrial policy. While the government's intention is to cut imports drastically, it has not devised an industrial policy. Producers do not know what will happen to their external and internal debts, whether they will have raw materials for manufacturing, or whether they will be able to raise their prices.

Many products that used to come from abroad have been prohibited. But no one knows what criteria are used to implement the necessary import substitution.

—International banks. The creditor banks are not willing to accept a renegotiation of the huge external debt if two conditions are not met: first, recognition and guarantees of the private debt; second, acceptance of the conditions imposed by the International Monetary Fund (IMF).

The latter means a drastic reduction in public spending. The approved budget is in the order of 75 billion bolivars, slightly below that of previous years. But paralyzing projects, not paying suppliers and laying off public employees would be catastrophic for the governing party in an election year.

One has the impression that the government has not the least intention of financing the foreign debt, because that would force it to take unpopular measures, and it is not willing to adopt them at this time. Moreover, it does not want to give up the power to issue currency as needed. IMF control would emphasize the level of liquidity. The Venezuelan Government's consolidated debt is about 50 billion bolivars. To meet those obligations, it may have no alternative but to print more money.

—Reactivation and Speculation. The government is trying—and that is another reason why it is not interested in IMF intervention—to produce a reactivation by lowering interest rates and injecting fresh money into construction and other multiplying activities.

However, in this climate of uncertainty, no one doubts that most of those efforts will aim at speculative activities that have begun to emerge suddenly.

—Other questions. The various economic sectors are aware that in the present situation everyone must make a sacrifice. But, they object, if the state is not willing to do so, why should we pay the entire cost of this situation? If there is no significant reduction in the budget, the government will not have any authority over the other sectors of national life.

Finally, it is well known that there are not enough dollars to go around. Who will determine the priorities, and based on what criteria?

If these questions are not answered in the coming weeks, the electoral climate could become rarefied rapidly. Therefore, it is indispensable for the candidates for the presidency of the republic to indicate clearly to the country how they plan to solve all these problems.

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CONDITIONS LEADING TO EXCHANGE FLUCTUATIONS VIEWED

Caracas RESUMEN in Spanish 22 May 83 p 37

[Commentary by Bernard Baruch]

[Text] "The show is over." That was the reaction of observers after the Central Bank (BCV) declared itself unable to stop the irresistible plunge of the bolivar with respect to the dollar on the free market and stated that it was forced to order the closing of that market. What had happened?

A group of brokers belonging to the Stock Exchange Board of Directors who wanted first of all to reap profits and second of all to give a certain amount of publicity to that institution a week after exchange control had been decreed, without waiting for monetary authorities to establish the norms for the free market, began to trade dollars under the auspices of a regulation that was hastily written, without even the obtaining permission of the National Securities Commission.

They were so anxious to make quick profits on the basis of the exchange situation that they took any check that came along, and many checks accepted by these misguided brokers bounced. Then, instead of counseling their clients to be prudent, they tried to sell at the highest price, and there are even rumors that some of them used intermediaries to jack up the prices, to the detriment of their clients. That happened to one brokerage firm, which was penalized for engaging in that practice with export bonds and damaging its clients. In the end, the dollar soared so high that not even the ill-fated intervention of the Central Bank was able to stop it. This prompted an emergency meeting between the presidents of the Stock Exchange and the BCV, which resulted in the maximum fluctuation ceilings. Nonetheless, even that belated measure was futile. As soon as the BCV sold the dollars at a given price, the brokers bought them up immediately, to turn around and sell them at a higher price!

This process, which even analysts called "fiction economy," substantially weakened the country's economic image, to the point that the government was obliged to order it suspended. . .

Now it will be the black market that sets the guidelines.

The cynicism of the Stock Exchange president was noteworthy when he said that they were the ones who tried to shut down the exchange market!

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STATE ENTERPRISES REPORTEDLY GIVEN PREFERENTIAL TREATMENT

Caracas RESUMEN in Spanish 22 May 83 p 27

[Text] When the Orinoco Iron and Steelworks (SIDOR), the state-run enterprise, remains in a permanent state of financial collapse because of its inability to determine its "point of economic equilibrium" at the appropriate time, it seems logical and reasonable to the officials who have intervened in it (the leaders of the Confederation of Venezuelan Workers, CTV, & Co.) that the state should absorb the millions it loses each year. Among those who are interested in maintaining this uneconomical situation, there are always pretexts and excuses regarding SIDOR's deficitary financial situation, on the part of those who "patriotically" siphon off its resources. This is one of the "jewels" with which the state apparatus is decorated, enabling it to reach the extent of internal and external indebtedness that led to its collapse.

The treatment accorded private industry, however, is entirely different; the irrational economic discrimination that is practiced between the public and private sectors is conspicuous.

Sources connected with the Association of Industrial Metallurgists and Metalworkers (AIMM) explained the situation thus to RESUMEN, citing as an example the privileges granted to SIDOR in comparison with the private metalworking industry, through some statements made by the president of the AIMM, in these terms: "The concession of exchange privileges to the state-run institutions and enterprises for the importation of metallurgical and metalworking products creates unfair competition and puts the private sector at a disadvantage, forcing it to deal with increasing limitations imposed by the state itself on industrial businesses."

"The exchange agreement signed between the Central Bank and the Finance Ministry on 28 February," he adds, "provides in Clause 11 that the exchange rate shall be 4.30 bolivars to the dollar for the sale of foreign reserves in the cases indicated in Article 2 of Decree 1842, which includes imported goods and services deemed to be essential by the National Executive, expenditures stemming from the international commitments of the Republic, and the sale of foreign currency to the oil industry, Ferrominera del Orinoco and the Venezuelan Investment Fund (FIV)."

The AIMM president states that the same agreement sets an exchange rate of 6 bolivars to the dollar to be applied to the sale of foreign reserves for the importation of goods to be determined by the National Executive, in accordance with Article 3 of the aforementioned Decree 1842, which indicates that other items to be determined by the government could be subject to different exchange rates in agreements, or could fluctuate. "It is well known," he adds, "that the items referred to cover the imported goods needed by industry for the manufacture of consumer, intermediate and capital goods."

"Based on the above, (the AIMM) concludes that the government and some of its enterprises and institutions can purchase foreign currency at 4.30, while national industry buys at 6 or at a floating rate. It is obvious that under this system the Venezuelan industrial plant, which we built with such effort, is on the verge of collapse, because we are placed at a competitive disadvantage in that the metalworking sector is forced to acquire some inputs not manufactured in the country at 6 bolivars to the dollar, or at a fluctuating rate. . ."

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PRICE INCREASE EXPECTED—According to estimates by the Ministry of Economic Development, some 30,000 items will undergo increases in production costs, which will necessarily result in a government authorization to raise the final price to the consumer. The director of development commerce claims that during the first 3 months of the Administered System of Pricing, 60,000 requests for price increases will be received. All of them must be duly processed by the office to determine whether or not to raise prices for those products. The increase in the prices of the various items under study is due to the fact that they do not enjoy the guarantee of stability for foreign raw materials purchases, for which dollars are allocated preferentially, because these items were not covered by that concession. The impact of the differential exchange rates of 4.30 and 6 bolivars to the dollar will be felt by these products. Not only will finished goods suffer price increases; many services that are now provided in this country use imported inputs or depend on other industries that import raw materials to process the products they manufacture, and these new costs will be passed on automatically to these customers, who will in turn pass them on to the consumer. In the end, everything, or nearly everything, will go up in price. Thus, my friend, you had better become a jack of all trades and do it yourself, if you don't want to take out a bank loan just to live. [Text] [Caracas BOHEMIA in Spanish 16-22 May 83 p 21] 8926

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